

# Directors' Report

To  
The Members

Your Directors take pleasure in presenting the 40<sup>th</sup> Annual Report (Integrated) on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2023.

## 1. Financial Summary or Highlights

The Board's Report is prepared based on the standalone financial statements of the Company. The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

### Financial Summary

(₹ in Crores)

Particulars	Standalone		Consolidated	
	2022-23	2021-22	2022-23	2021-22
Revenue from Operations	16,868	13,889	16,911	13,938
Other Income	177	160	178	160
Operating Profit before Finance Costs, Depreciation, Tax and Extraordinary items	1,780	1,918	1,777	1,921
Less: Depreciation and amortisation expenses	296	261	296	261
Finance Cost	34	53	34	53
<b>Profit before Tax and Exceptional Expenses</b>	<b>1,450</b>	<b>1,604</b>	<b>1,447</b>	<b>1,607</b>
<b>Exceptional Items</b>				
a) Loss due to fire	113	-	113	-
b) Insurance claim receivable	(113)	-	(113)	-
<b>Profit before Tax</b>	<b>1,450</b>	<b>1,604</b>	<b>1,447</b>	<b>1,607</b>
Less: Tax	375	409	375	410
<b>Profit for the year</b>	<b>1,075</b>	<b>1,195</b>	<b>1,072</b>	<b>1,196</b>
Other Comprehensive Income	(8)	6	(8)	6
<b>Total Comprehensive income for the year, net of tax</b>	<b>1,067</b>	<b>1,200</b>	<b>1,064</b>	<b>1,203</b>

Financial year 2022-23 was the first year post COVID-19 disruptions with a stable business environment. We recorded revenue for FY23 at ₹ 16,868 crores, higher by 21.5% over the previous year's revenue of ₹ 13,889 crores.

FY23 profit was at ₹ 1,075 crores as against ₹ 1,195 crores in FY22. Profit margin was at 6.4% in FY23 as against 8.6% in FY22.

Disruptions in the global supply chain with the geopolitical disturbances led to steep run-up in commodity prices. The impact of the same was witnessed on the Company margins as the entire cost escalation could not be passed on to the customers.

## 2. Brief Description of the Company's Working During the Year/ State of Company's Affairs

Havells performance during the year was backed by strong growth across the product verticals. Over the years, Havells has evolved into a formidable

FMEG and consumer durable player by seeding new categories and scaling them to create reasonably sized revenue pools.

Switchgear segment reported 18.7% revenue growth supported by pickup in the construction cycle. While the sudden & sharp movements in commodity prices impacted the market sentiments in cables segment, Havells grew the segment revenue by 19.1%. Lighting segment grew by 16.8% with healthy growth from both consumer and professional lighting. Professional lighting accelerated its growth with pickup in industrial and commercial sector.

Despite witnessing a major transition in the fans category during the year, the Electrical Consumer Durables (ECD) segment reported a 7.5% revenue growth. Havells continue to focus on premiumisation of the fan portfolio. The "others" segment which includes motor, solar, pumps, personal grooming and water purifier grew by 25.2%.

Lloyd demonstrated encouraging performance with strong revenue growth of 49% and continued its journey to be a meaningful player in the consumer durable industry. The profitability of the segment was impacted given commodity prices pressures and continued hyper competition in the market. During the year, we commissioned Lloyd Air-Conditioners plant in Sri City (Chittoor District in the State of Andhra Pradesh).

We stayed focussed on innovating, investing in our brands, expanding omni-channel presence, enhancing our digital capabilities and nurturing a strong talent pool. Continuous investment in the latest technology and innovation has helped the organization to stay ahead in a highly competitive landscape. In addition to multiple patents being filed during the year, we launched many new products including Havells Glamtubes and Meditate Air Purifier. Brand remained a key focus area during the year with significantly higher advertising and sales promotion expenditure vs FY22. We ensured that we are reaching out to the customers and making our brand available wherever they are. While steadily growing our distributors/dealers network vertically and horizontally, we expanded our presence in emerging channels. E-commerce channel grew with a strong product portfolio and deep digital engagement with our consumers. Modern Format Retail (MFR) continues to emerge as a key channel with expanding shelf space at the counters. With emerging rural opportunity, we cemented our position of most penetrated FMEG brand in rural markets.

Backed by revenue growth and strong financial discipline, we continued to generate healthy cash flows. The balance sheet was further strengthened by pre-paying the outstanding borrowings during the year.

### Subsidiary Companies, Joint Venture and Consolidated Financial Statements

As on 31<sup>st</sup> March, 2023, the Company has one direct overseas subsidiary namely Havells Guangzhou International Limited based at China.

The Consolidated Profit and Loss Account for the period ended 31<sup>st</sup> March, 2023, includes the Profit and Loss Account for the subsidiary Havells Guangzhou International Limited for the complete Financial Year ended 31<sup>st</sup> March, 2023 and Profit and Loss Account for the subsidiary Havells Holdings Limited for the period upto 27<sup>th</sup> October, 2022.

The Board of Directors of the Company has, by Resolution passed in its Meeting held on 3<sup>rd</sup> May, 2023, given consent for not attaching the Balance Sheet of the subsidiary concerned. The Consolidated Financial Statements of the Company including the subsidiary duly audited by the statutory auditors are presented in the Integrated Annual Report. The consolidated financial statements have been prepared

in strict compliance with applicable Accounting Standards and wherever applicable, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as prescribed by the Securities and Exchange Board of India. A Report on Performance and Financial Position of the subsidiary included in the Consolidated Financial Statements is presented in a separate section in this Integrated Annual Report. Please refer (Form No. AOC-1) annexed to the Financial Statements in the Integrated Annual Report.

The standalone annual accounts of the subsidiary company and the detailed related information shall be made available to Shareholders of the Company and of its subsidiary company upon request and it shall also be made available on the website of the Company i.e. <https://www.havells.com/en/discover-havells/investor-relation/financials/balance-sheet.html>

The annual accounts of the subsidiary company shall also be kept for inspection by any shareholder in the Head Office of the Company and the office of its subsidiary company.

### 3. Names of Companies which have become or ceased to be its Subsidiaries, Joint Ventures or Associate Companies during the year

Havells Holdings Limited (HHL) a wholly owned subsidiary of Havells India Limited (Havells) was incorporated in Feb 2007 in Isle of Man for the purpose of acquiring global lighting business of Sylvania. Since Havells has exited the Sylvania business and all the related obligations have been met, the entity was no longer required. Accordingly, it was decided in a meeting of shareholders held on 18<sup>th</sup> May, 2022 that HHL be voluntarily wound-up. The due process, as applicable in Isle of Man was followed and winding up of HHL was completed on 27<sup>th</sup> October, 2022.

Besides, there are no companies which have become or ceased to be subsidiary and/ or associate of the Company during the Financial Year 2022-23.

### 4. Reserves

Your Directors do not propose to transfer any amount to the general reserve and entire amount of profit for the year forms part of the 'Retained Earnings'.

### 5. Dividend

In line with the Dividend Policy of the Company which is available in the "Codes & Policies" section in the Investor Relations section on the website of the Company and can be accessed at [https://havells.com/content/dam/havells/Corporate\\_Governance/Dividend\\_policy.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Dividend_policy.pdf), the Board of Directors, in its Meeting held on 19<sup>th</sup> January, 2023, declared an interim dividend of ₹ 3.00/- per equity share of face value of ₹ 1/- each, to all the shareholders who were recorded on the register of members as on 28<sup>th</sup> January, 2023, being the record date fixed for this purpose.

In addition to the Interim Dividend, your Directors are pleased to recommend a Final Dividend @ ₹ 4.50/- per equity share of face value of ₹ 1/- each for the financial year 2022-23.

The proposed dividend, subject to approval of Shareholders in the ensuing Annual General Meeting of the Company, would result in appropriation of ₹ 281.93 crores (inclusive of TDS). The dividend would be payable to all Shareholders whose names appear in the Register of Members as on the Book Closure Date. The Register of Members and Share Transfer books shall remain closed from 5<sup>th</sup> June, 2023, Monday to 9<sup>th</sup> June, 2023, Friday (both days inclusive).

## 6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this Report.

However, in terms of the Employee Stock Purchase Schemes of the Company, which are administered by Havells Employees Welfare Trust, 2,86,307 Equity Shares of ₹ 1/- each, were approved for Grant on 2<sup>nd</sup> May, 2023 and Vested (pursuant to the respective Employee Stock Purchase Plan as hereunder) to the eligible employees, which, if exercised, shall result in an equivalent no. of Equity Shares of ₹ 1/- each to be allotted/ transferred to the eligible employees under the respective schemes.

A summary is given below:

	No. of Shares Granted	No. of Shares Vested
Havells Employees Stock Purchase Plan 2014	51,376	51,376
Havells Employees Stock Purchase Scheme 2015	1,35,000	1,35,000
Havells Employees Stock Purchase Scheme 2016*	34,303	20,627*
Havells Employees Stock Purchase Scheme 2022**	65,628	9,043**

\* 11,424 Shares vested as 1<sup>st</sup> tranche out of a total of 34,303 Shares granted for financial year 2022-23; 7,159 Shares vested as 2<sup>nd</sup> tranche out of a total of 24,942 Shares granted for financial year 2021-22 and 2,044 Shares vested as 3<sup>rd</sup> tranche out of a total of 8,454 Shares granted for financial year 2020-21.

\*\* 6,497 Shares vested as 1<sup>st</sup> tranche out of a total of 65,628 Shares granted for financial year 2022-23; 2,546 Shares vested as 2<sup>nd</sup> tranche out of a total of 17,733 Shares granted for financial year 2021-22.

## 7. Change in the nature of business, if any

There was no change in the nature of business of the Company during the financial year ended 31<sup>st</sup> March, 2023.

## 8. Details of Directors or Key Managerial Personnel including those who were appointed or have resigned during the year

During the financial year 2022-23, no changes took place in the composition of the Board of Directors of the Company.

Further, pursuant to the provisions of Section 152 of the Companies Act, 2013, Shri Rajesh Kumar Gupta (DIN: 00002842), Shri T.V. Mohandas Pai (DIN: 00042167) and Shri Puneet Bhatia (DIN: 00143973), are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their re-appointment.

Shri Anil Rai Gupta (DIN: 00011892), was last re-appointed by the Shareholders of the Company in the Annual General Meeting held on 27<sup>th</sup> July, 2019 for a period of 5 (Five) years with effect from 1<sup>st</sup> April, 2019. His term is due to expire next year on 31<sup>st</sup> March, 2024.

Accordingly, the Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in its Meeting held on 3<sup>rd</sup> May, 2023, approved the re-appointment of Shri Anil Rai Gupta, as the Chairman and Managing Director and the CEO of the Company for a period of another 5 (Five) years to take effect from 1<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2029. The re-appointment is subject to approval of the shareholders in the ensuing Annual General Meeting.

The details of Directors being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2 issued by ICSI are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company. Appropriate Resolution(s) seeking your approval to the re-appointment of Directors are also included in the Notice.

## 9. Number of Meetings of the Board of Directors

During the Financial Year 2022-23, the Board of Directors of the Company, met 5 (Five) times on 4<sup>th</sup> May, 2022, 20<sup>th</sup> July, 2022, 19<sup>th</sup> October, 2022, 19<sup>th</sup> January, 2023 and 25<sup>th</sup> March, 2023.

Pursuant to the requirements of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, separate Meeting of the Independent Directors of the Company was also held on 25<sup>th</sup> March, 2023, without the presence of Non-Independent Directors and members of the management, to review the performance of Non-Independent Directors and the Board as a whole, the

performance of the Chairperson of the Company, taking into account the views of Executive Directors, Non-Executive Non-Independent Directors and also to assess the quality, quantity and timeliness of flow of information between the Company management and the Board.

#### 10. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 11. Declaration by Independent Director(s) and re-appointment, if any

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, so as to qualify themselves to continue to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules thereof.

In the opinion of the Board, they fulfil the condition for appointment/ re-appointment as Independent Directors on the Board. Further, in the opinion of the Board, the

Independent Directors also possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iii) of the Companies (Accounts) Rules, 2014.

#### 12. Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other employees

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its Meeting held on 22<sup>nd</sup> December, 2014, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees. The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **ANNEXURE – 1** and forms part of this Report. The Policy is also available in the Investor Relations section, under the "Codes & Policies" tab, on the website of the Company and can be accessed at the weblink [https://havells.com/content/dam/havells/Corporate\\_Governance/Nomination%20and%20Remuneration%20Policy.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Nomination%20and%20Remuneration%20Policy.pdf)

#### 13. Formal Annual Evaluation

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") contain provisions for the evaluation of the performance of:

- (i) the Board as a whole,
- (ii) the individual directors (including independent directors and Chairperson) and
- (iii) various Committees of the Board.

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Consequently, the Company is required to disclose the manner of formal annual evaluation.

The Board evaluation exercise for financial year 2022-23 was carried out by way of internal assessments done based on a combination of detailed questionnaires and verbal discussions.

## Performance evaluation of the Board and Committees

The performance of the Board was evaluated by the Board Members after considering inputs from all the Directors primarily on:

- Board composition and quality with emphasis on its size, diversity, skill set of members;
- Periodic review of Company's management and internal control system for appropriateness and relevance;
- Board process and procedure with emphasis on the frequency of Meetings, Attendance thereof, flow of information;
- Oversight of Financial Reporting process including Internal Controls and Audit Functions;
- Engagement in Corporate Governance, ethics and compliance with the Company's code of conduct.

The Board evaluated the performance of the Committees on the following parameters:

- Appropriateness of size and composition;
- Clarity of mandate and well-defined agenda;
- Reporting to the Board on the Committee's activities;
- Availability of appropriate internal and external support or resources to the Committees.

## Performance Evaluation of Individual Directors

The performance evaluation of the Individual Directors were carried out by the Board and other Individual Directors, considering aspects such as:

- Display of effective leadership qualities and skill;
- Implementation of observations/ recommendations of Board Members;
- Effective and timely resolution of grievances of Board Members;
- Ability to bring convergence in case of divergent views and conflict of interest situation tabled at Board Meetings;
- Sufficient knowledge of Company strategy and objective;
- Understand their role as Director, as distinct from management;

- Adequate and productive use of knowledge and experience of the Independent Directors for the functioning of Board;
- Efforts for professional development to enable better fulfilment of their responsibilities;
- Ask questions/ critique proposals with confidence;
- Open and effective participation in Board discussions;
- Keep stakeholder interest as the touchstone in endorsing decisions.

## Evaluation Outcome

The evaluation brought to the notice that there is adequate flow of information from Company to the Board and the suggestions and recommendations given by the Board are considered for follow up action. The Board Committees are well-managed and functioning excellently. The Committee meetings are held timely with thorough discussions on agenda items and excellent follow up.

The assessment exercise also brought out that all the Directors are excellently contributing in the functioning of the Board. The Chairman well balances the functioning of the Board demonstrating effective leadership. The Board has functioned well and has rigorous discussions. The Board is open and receptive and the members are fully committed to high standards and are transparent.

## 14. Annual Return

Pursuant to Section 134(3)(a) read with Section 92(3) of the Companies Act, 2013, the Annual Return of the Company is available on the website of the Company at <https://havells.com/en/discover-havells/investor-relation/disclosures.html>

## 15. Auditors

### 1. Statutory Auditors

As per provisions of Section 139(1) of the Companies Act, 2013, the Company has appointed M/s Price Waterhouse & Co Chartered Accountants LLP (Registration No. 304026E/ E300009) as Statutory Auditors for a period of 5 (Five) years in the AGM of the Company held on 30<sup>th</sup> June, 2021.

### Statutory Auditors' Report

The observations of Statutory Auditor in its reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

### Details in respect of frauds reported by auditors

There were no instances of fraud reported by the auditors.

## 2. Cost Auditors

As per Section 148 of the Companies Act, 2013, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice.

Pursuant to the provisions of Section 141 read with Section 148 of the Companies Act, 2013 and Rules made thereunder, M/s Chandra Wadhwa & Co., Cost Accountants (Firm Regn. No. 000239) were appointed as the Cost Auditor of the Company for the year ending 31<sup>st</sup> March, 2023.

The due date for filing the Cost Audit Report of the Company for the financial year ended 31<sup>st</sup> March, 2022 was 2<sup>nd</sup> June, 2022 and the same was filed in XBRL mode by the Cost Auditor within due date.

### Disclosure on maintenance of Cost Records

The Company made and maintained the Cost Records under Section 148 of the Companies Act, 2013 (18 of 2013) for the Financial Year 2022-23.

## 3. Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with corresponding Rules framed thereunder, M/s Balika Sharma & Associates, Company Secretaries, were appointed as the Secretarial Auditors of the Company to carry out the secretarial audit for the year ending 31<sup>st</sup> March, 2023.

### Secretarial Audit Report

In terms of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Secretarial Audit Report given by the Secretarial Auditors in Form No. MR-3 is annexed with this Report as **ANNEXURE – 2**. There are no qualifications, reservations or adverse remarks made by Secretarial Auditors in their Report.

### Annual Secretarial Compliance Report

A Secretarial Compliance Report for the financial year ended 31<sup>st</sup> March, 2023 on compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from M/s Balika Sharma & Associates, Company Secretaries, Secretarial Auditors.

## 16. Particulars of Loans, Guarantees or Investments under Section 186

The particulars of loans given, investments made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at 31<sup>st</sup> March, 2023, are furnished in **ANNEXURE – 3** and forms part of this Report.

## 17. Particulars of contracts or arrangements with Related Parties

The particulars of every contract and arrangement if entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in **ANNEXURE – 4** and forms part of this Report.

## 18. Contribution to Exchequer

The Company is regular in payment of taxes and other duties to the Government. During the year under review your Company paid ₹ 395.84 crores towards Corporate Income Tax as compared to ₹ 426.85 crores paid during the last financial year. The Company has also paid an amount of ₹ 3,618.55 crores on account of GST and Custom duty without any government assistance and support during financial year 2022-23 as compared to ₹ 2,849.67 crores paid alongwith government assistance and support of ₹ 1.02 crores claimed during last Financial Year.

## 19. Details relating to deposits covered under Chapter V of the Companies Act, 2013

The Shareholders vide their Special Resolution dated 9<sup>th</sup> June, 2014, passed by way of Postal Ballot, have approved inviting/ accepting/ renewing deposits, in terms of the provisions of the Companies Act, 2013 making the Company eligible for the same. However, the Company has not accepted any deposits during the year under review.

## 20. Corporate Social Responsibility (CSR)

Havells over the years have built a culture where CSR has been deeply integrated with our business philosophy which is reflected in our business accountability and our commitment to the wellbeing of communities and society through our various environmental and social measures. This has led to targeted efforts by the organization for the communities revolving around eight strong pillars of Health and Nutrition, Education, Skill and Development, Sanitation, Environment, Heritage Conservation, Health Care and other Humanitarian Causes.

Some of the key initiatives include:

**Meals Distribution (Mid-Day Meal Programme)** – A humble beginning that started with serving just 1,500 children across 5 schools increased to serving over 70,000 students across 700+ schools daily in the district. This program has shown a positive impact in the lives of school children which in turn has resulted in increased attendance & enrolment and a reduction in drop-out rates in Govt. Schools wherever mid-day meals are being served. Another impact of this project has been an increase in enrolment of girl child and reduced discrimination, casteism and inequality amongst society.

**Hygiene and Sanitation (Distribution of Re-usable Sanitary Napkins)** – Over the past few years the Company has played a pivotal role in the areas of hygiene and sanitation. In FY 22-23, we have distributed ~2 Lakh sanitary napkins to adolescent girls. This has resulted in improved attendance, health and cognitive development, increased girls' participation, established positive hygiene behaviour among girl students.

**Societal Education and Infrastructure** – Education has been one of our focus areas from Corporate Social Responsibility (CSR) standpoint. Havells association with Plaksha University as part of our CSR initiatives started in the year 2021 to make a meaningful impact in technological change and evolution. Infact now our association with Plaksha is one of the biggest from CSR contribution standpoint.

On December 17, 2022, Plaksha University celebrated its first founder day where “Havells Research Building” was inaugurated. This research building will house four cutting-edge research centres – Centre for Clean Energy & Climate, Centre for Digital Agriculture, Centre for Digital Health and Centre for Water Security.

**Trees Plantation** - Tree plantation has been a regular activity at Havells with the twin purpose to save endangered environment and to preserve flora and fauna. Havells has planted over 18 Lakhs trees in last 5 years in Bhopal, Madhya Pradesh and Neemrana, Rajasthan. The Survival rate of the trees is more than 85% as per the survey conducted by MPRVVN (Madhya Pradesh Rajya Van Vibhag Nigam) on account of regular monitoring, ensuring availability of water supply, involvement of local administration and Panchayat.

Further, the Company has in place CSR & ESG Committee and Policy as per the applicable laws and regulations. The disclosures on the same as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are annexed herewith as **ANNEXURE – 5** to this Report in the prescribed format.

## 21. Audit Committee

As at 31<sup>st</sup> March, 2023, the Audit Committee of the Board of Directors of the Company comprised of 4 (Four) Members, namely Shri Upendra Kumar Sinha, Smt. Namrata Kaul, Shri B Prasada Rao and Shri Ameet Kumar Gupta, majority of them being Independent Directors except Shri Ameet Kumar Gupta, who is a Whole-time Director. Shri Upendra Kumar Sinha, an Independent Director, is the Chairman of the Audit Committee. The Board accepted the recommendations of the Audit Committee whenever made by the Committee during the year.

## 22. Enterprises Risk Management Framework

### Integrated Risk Management Framework

The Board of Directors of the Company has formed an Enterprises Risk Management (ERM) Committee to frame, implement and monitor the risk management plan for the Company. The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

ERM Committee oversees the Company's risk management process and controls, reviews strategic plans and objectives for risk management, risk philosophy, risk optimisation, reviews compliance with risk management policies implemented by the Company and procedures used to implement the same. ERM Committee overviews various risk categories like Strategic risk, Compliance risk, Financial risk, Reputational risk, Operational risk & Reporting risk.

Havells Risk Management & Governance Framework is based on Internationally accepted framework. Our sustainable focus on next Generation Technology, supports an enterprise wide view of risk and their compliance, enabling more holistic approach towards productivity, efficiency and informed decision-making process, within acceptable risk appetite & culture of no surprise.

Company's ERM Coverage includes critical risks relating to entity level, business vertical, functional & process level at all locations across the organisation. ERM Coordinator works closely with business & functional team for identification, monitoring & execution of agreed risk responses. Evaluation of Risk Maturity level & identification of the emerging business challenges are performed under the guidance of ERM Council & Leadership Council. Risk response against the identified risks (including emerging risks) are presented before ERM Committee on a half yearly basis.

## 23. Details in respect of adequacy of internal financial controls with reference to the Financial Statements

The Company has robust internal financial controls (IFC) systems, which is in line with requirement of the Companies Act 2013, which is intended to increase transparency & accountability in an organization's process of designing and implementing a system of internal control. The Company has a clearly defined Governance, Risk & Compliance Framework, Policies, Standard Operating Procedures (SOP), Financial & Operational Delegation of Authority (DOA). Our SAP ERP & GRC system facilitate mapping with role-based authority to business & functional team to ensure smooth conduct of their operations across the organization.

The company's internal control systems are commensurate with the nature & size of its' business considering both financial & non-financial controls.

The company has well established Internal audit function. Risk based audit are performed for all businesses, functions & locations (Plant, Branch, warehouse, Head office). Internal Audit plan is approved by the Audit Committee, further on a quarterly basis summary of key findings along with their root cause analysis and action taken status are presented to the Audit Committee.

Risk Control Matrix (RCM) has been prepared with respect to each Business functions and their mapping are being done with Functional Dashboard/ Compliance Management System/ GRC Process Control. The internal control system ensures compliance with all applicable laws and regulations.

Our IFC process, supports orderly and efficient conduct of its business including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Our internal financial control system facilitates in optimum utilization of available resources and protect the interests of all stakeholders.

#### **24. Details of establishment of Vigil Mechanism for Directors and Employees**

The Company has established a Vigil Mechanism under the name of "Satark" for its Directors and employees to report their genuine concerns or grievances and provides for adequate safeguards against victimization of persons who use such mechanism.

Vigil Mechanism is available for all Employee(s), business associate(s) engaged with the Company, who can report any fraud, irregularity, wrongdoing and unethical behaviour. Designated team investigates such reported matters in an impartial manner and takes appropriate action to ensure that requisite standards of confidentiality, professional and ethical conduct are always upheld. Complaints received under Satark policy are even mapped to the Chairman of the Audit Committee. This Satark policy is also available on the website of the company at [https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes\\_Policies/VigilMechanism\\_Satark%20Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/VigilMechanism_Satark%20Policy.pdf)

#### **25. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future**

There was no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### **26. Compliance with Secretarial Standards**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

#### **27. Employee Relations**

The past year the Havells family surged ahead confidently, leaving behind the experiences of the pandemic, but keeping the learning intact in term of speed and agility.

There was renewed focus on enhancing organizational capability for the future. We have created an organization wide Learning & Development (L&D) framework, to cater to the L&D needs across every level in the organization.

To illustrate, we have launched a career development center 'Pragati' for our frontline salespeople to become first level Managers. We have launched a management development program called 'Unnati', for our first level sales managers. Similar initiatives are under progress for mid and senior management. India is a young country and a sizeable future employee base, will be Gen-Z. Hence, we have a very robust program of engaging with campuses for our future young talent requirements. This is being done across functions i.e. Sales & Marketing, E-Commerce, Manufacturing, R&D, Supply Chain, Packaging, etc. From campuses we have made offers for about 212 final placements and 58 summer interns. The idea of taking interns is to give them projects and assess them for PPOs (Pre-Placement Offers) Next Year. The gender diversity in our campus offers is about 24% and overall in the Company, the gender diversity in the Gen-Z community is about 21%.

There is a focused effort on ongoing learning & development of our frontline sales, by leveraging technology, so that we can do this with 'speed & scale'. Our internal Learning Management System (LMS) 'Saksham' is being further augmented to meet the emerging learning needs and enhanced learner experience (LXP).

We completed a Talent Mapping exercise, for critical roles, so that we have clear visibility of our internal talent, for meeting the organization' future growth aspirations.

We have put together a whole new team for our Green Field Project in Sri City, through a combination of internal talent movement and lateral hires. In this plant, we are targeting to maximize gender diversity on the shop floor. Our vision is to make this a role model plant for gender diversity within the Company, by targeting close to 100% women on shop floor.

For the fourth year in succession, we are recognised among 'the Great Place to Work 2023'. Our scores have consistently improved over the years.



At Havells, we ensure that there is full adherence to the Code of Ethics and fair business practices. Havells is an equal opportunity employer and employees are evaluated solely on the basis of their contribution and performance. We provide equal opportunity in all aspects of employment, including retirement, training, work conditions, career progression etc. Further, Havells is committed to maintaining a workplace where each employee's privacy and personal dignity is respected and protected.

### Nirbhaya

As a responsible employer, Havells has always been conscious of its duty towards prevention and control of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the POSH Act) and has in place a "Nirbhaya" policy for women employees. The Committee conducts interactive sessions, from time to time, to sensitize female employees about the provisions of the POSH Act. The Committee submits an Annual Report to the Audit Committee of the Board of Directors on the complaints received and action taken by it during the relevant financial year. During the Financial Year 2022-23, no complaint was lodged with the Internal Complaints Committee (ICC).

### 28. Details pursuant to Section 197(12) of the Companies Act, 2013

Details pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report and are annexed herewith as **ANNEXURE - 6**.

### 29. Employees Stock Option Plans

The Company has in place 4 (Four) employee benefit schemes, namely, Havells Long Term Incentive Plan 2014 (LTIP 2014), Havells Stock Purchase Scheme 2015 (ESPS 2015), Havells Stock Purchase Scheme 2016 (ESPS 2016) and Havells Stock Purchase Scheme 2022 (ESPS 2022).

All the existing and proposed benefit schemes are administered by Havells Employees Welfare Trust under the supervision of the Nomination and Remuneration Committee.

Promoters, Independent Directors, Directors directly or indirectly holding 10% or above of the equity share capital of the Company, Employees not residing in India or Non Resident Indians (NRIs) are not eligible for the grant of options/ issue of shares under any of the Schemes.

The Company has received a certificate dated 1<sup>st</sup> May, 2023 from the Secretarial Auditors of the Company that the Schemes have been implemented in accordance with

the applicable SEBI Guidelines and the Resolutions passed by the shareholders dated 9<sup>th</sup> June, 2014 (further amended on 8<sup>th</sup> July, 2022), 4<sup>th</sup> December, 2015, 13<sup>th</sup> July, 2016 and 8<sup>th</sup> July, 2022 in respect of LTIP 2014, ESPS 2015, ESPS 2016 and ESPS 2022 respectively. The Certificate will be placed at the Annual General Meeting for inspection by Members. There has been no material change in any of the subsisting Schemes. Disclosures pursuant to SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, in respect of LTIP 2014, ESPS 2015, ESPS 2016 and ESPS 2022 as at 31<sup>st</sup> March, 2023 are available on the website of the Company at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/dislosure\\_pdf/Disclosures\\_Pursuant\\_to\\_SEBI\\_Regulations\\_2021\\_as\\_at\\_31st\\_March\\_2023.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/dislosure_pdf/Disclosures_Pursuant_to_SEBI_Regulations_2021_as_at_31st_March_2023.pdf)

### 30. Credit Ratings

#### CARE Ratings

CARE has yet again assigned a CARE AAA [Triple A] rating to the long-term facilities of your Company during the reported Financial Year. This rating is applicable to facilities having a tenure of more than one year. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations.

CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the short-term facilities of your Company. This rating is applicable to facilities having a tenure upto one year. Instruments with this rating are considered to have very strong degree of safety regarding timely payment of financial obligations.

CARE has also reaffirmed the CARE A1+ [A One Plus] rating assigned to the Commercial Paper.

The Corporate Governance practices of the Company are also rated by CareEdge Advisory Research and Training (CART) as **CG2+**. Grading is assigned on a six-point scale with CG 1 being the highest and CG 6 being the lowest. CART's CG grading is a measure of overall performance of the corporate governance on a broad range of parameters such as Board Composition and Functioning, Ownership Structure, Organization Structure and MIS, Shareholder Relationship, Disclosures and Transparency, Financial Prudence and Statutory & Regulatory Compliance.

### 31. Global Certifications

The list of certifications in FY 22-23 for international markets are given below:-

Certifications received during the Financial Year 2022-23

- BS 7835 BS 6622 BS 7870-4.10 for 11 KV Cables & BS 6724 for 0.6/1 KV Cables
- UL 44 for Thermoset-Insulated Wires and Cables & UL 4703 for Photovoltaic Wire
- BS 7846 (F2 & F120) LV LSZH Sheathed Cable & LV FS Cables

Renewals of Certifications during the financial year 2022-23

- CB certification in accordance of IEC 60335-2-40:2018 in conjunction with IEC 60335 1:2010, IEC 60335-1:2010/AMD1:2013, IEC 60335-1:2010/AMD2:2016 for Large household appliances
- KEMA/ DEKRA certifications in accordance with IEC 60898-1, IEC 60898-2, IEC 60947-3 & IEC 60947-2 for MCB's and Isolators and IEC 61008-1 for RCCB's.

### 32. Corporate Governance

The Company is committed to highest corporate governance standards by applying the best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from Statutory Auditors confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this integrated Annual Report.

Further, the Management Discussion and Analysis Report and CEO/ CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also presented in separate sections forming part of this Integrated Annual Report.

### 33. Environment, Health and Safety

Environment, Health and Safety (EHS) has always been an integral part of the larger ambit of Havells ESG initiatives. Havells Environment, Health & Safety (EHS) strategies are directed towards achieving the greenest and safest operations across all Manufacturing units by optimising the usage of natural resources and providing a safe and healthy workplace.

To address the broader agenda of ESG, during the year Havells had set up a board level ESG Committee led by independent director who along with other key stakeholders will pave the way forward from an ESG standpoint. In addition, Havells has formulated a corporate ESG-CFT under its ambitious Manufacturing Excellence 2.0 Programme Initiatives.

As part of our commitment towards environment, health & safety (EHS) Management, we have implemented a fully integrated EHS Management system at all our manufacturing sites, which are certified by the internationally recognised ISO 14001 & ISO 45001 Standards. The Health and Safety of employees is

paramount and Havells stand on Environment, Health and Safety of its employees is clearly outlined in Havells EHS Policy. We also regularly conduct Fire Safety Audits carried out by specialized Third-Party agencies to maintain the requirements of Fire & life Safety Protocols at our manufacturing sites. We have implemented EnMS (ISO 50001), thus achieving improved operational efficiencies.

Safety remains a top priority for Havells and we are committed to providing a safe and productive environment for our workforce and we continue to maintain best health and safety measures across all our manufacturing locations. We strive to upgrade our workforce skills levels through various learning & development programmes throughout the year. Further, at the time of induction, basic Safety trainings are given to all employees and workers at all our manufacturing sites.

Even though our Company does not fall under energy intense sector, we are still mindful of our impact on the environment and are taking progressive steps to minimise the same. Our commitments towards environment protection helps us to improve the company environment footprint examples of activities include 9MW Solar installed capacity, plantation of over 18 Lakhs trees saplings in the last five years. We are continuously exploring opportunities to increase use of recycled water & reduce water consumption across our sites, all our manufacturing plants are equipped with roof top rainwater harvesting system.

Havells was ranked 7<sup>th</sup> in the electrical equipment section globally in Dow Jones Sustainability Index (DJSI) Assessment. Havells has been consistently ranked in the top 10 global companies for ESG performance in the electrical sector for last four years, in addition to be featured in S&P Global Sustainability Yearbook. Havells has maintained its 'A' rating in Morgan Stanley formulated MSCI ESG Rating. MSCI ESG methodology is formulated to evaluate a company's resilience in the long-term and gauge companies' exposure to ESG risks.

### 34. Research and Development

We continue to make good progress in R&D transformation with a focus on consumer centricity, critical technology ownership and Innovation leadership. During the financial year 2022-23, our R&D spending was ₹ 163.18 crores, which is 0.97% of total revenue. The key areas for the spending continue to be on people competency, process maturity and infrastructure build-up to be a world-class R&D organization.

Our state-of-the-art Customer Experience and Design (CXD) studio forms the core of understanding the social, emotional and behavioural needs of customers through design thinking and co-creation methodologies, involving

our dealers, business teams, industry thought leaders, potential customer groups and design houses around the globe. During the year, our CXD team enabled product innovations like unconventionally beautiful water heaters, LED Glamtubes and Havells studio Meditate air purifiers. All these product launches pushed the current boundaries of design providing consumers with a refreshing and aesthetically superior experience. Throughout the year, CXD won several prestigious and acclaimed products and UX design awards like the Golden pin product design award (for Freedom architectural light), the DIA Design intelligence award (for Freedom architectural light and Vogue Highbay), CII Design excellence award (for Lloyd Elante washing machine and Zella immersion rod), European product design award (for Meditate air purifier UX) and a very special India's Best In-house design studio award.

Our Bengaluru Innovation Centre housing Centers of Excellence (CoEs) on the Internet of Things (IoT)/ Smart Products, Software Engineering, Power Electronics and Engineering Design is leading the way for our transformation to an electronic goods company and more importantly, providing the technical leadership for many of the enabling technologies required for our product segments. The key highlights in this regard include in-house design and development of electronic controllers/ drivers for ACs and LED lights; introduction of IoT-enabled products in AC, fans, water heaters, switches, air purifiers and lights categories; and in-house IoT platform enabling our Smart Products strategy accessed by in-house developed Havells Sync app. With Havells Studio Meditate air purifier, we introduced the first successful application of OTA (Over-The-Air updates) and predictive analytics in products. Our Bengaluru Innovation Center in a short span of time has grown to 115 members and a new floor of office and lab space is added to accommodate the expansion.

The R&D center at Noida forms the basis for Havells brand promise of quality and customer value proposition. Recently, working in collaboration with our Faridabad plant, our Electrical testing/ validation lab was granted accreditation from NABL (National accreditation board of Testing & Calibration Laboratories) - a unique achievement among peer FMEG groups and adding to the tally of our state-of-art labs. We made good progress in the journey of self-sufficiency and ownership of critical technologies with many more product lines in domestic appliances localized to reduce import dependence (like hair dryers, room heaters, hand blenders, toasters, etc.); in-house manufacturing of washing machines starting with semi-auto version; and own designed, developed and manufactured Havells studio Meditate air purifier that uses a technology adapted from Space stations. Our strategic push towards leadership in Industrial Switchgear products has started to deliver now -

with the launch of our own designed, developed and manufactured Q-Tron range of circuit breakers. From the onset, the Q-Tron range is benchmarked with the global gold standards and is realized by the strong collaboration of our R&D, manufacturing and vendor ecosystem. Further, progressing our journey of digitizing product development, the use of digital twin and simulation methodologies are now being successfully deployed across most of our product categories augmenting the robustness of our designs.

Overall, we are promoting a culture and mindset of intellectual asset creation. During 2022-23, we applied 38 new patents and 213 new design registrations taking our cumulative tally to 150 and 985 respectively. Our journey of intellectual property protection has started to show results with Havells having a grant of 21 patents. As the disruption is becoming the new normal our strong resolute in R&D has helped to navigate many challenges like materials supply disruptions, cost escalations and changes in customer preferences. The wealth of knowledge and infrastructures that we have created over the last few years will stay with us and will continue to be a source of competitive advantage.



India's Best In-house design studio to Havells CXD



NABL accreditation to Havells Faridabad electrical Lab



Havells Meditate Air purifier



Havells QTRON MCCB Range

### 35. Transfer to Investor Education and Protection Fund

#### (A) Transfer of Unpaid Dividend

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 65,22,372 during the year to the Investor Education and Protection Fund.

These amounts were lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for FY ended 2014-15 and Interim Dividend for FY ended 2015-16.

#### (B) Transfer of Shares underlying Unpaid Dividend

During the Financial Year, the Share Allotment and Transfer Committee in its Meeting held on 26<sup>th</sup> August, 2022, also transmitted 18,006 Equity shares on account of Un-claimed Dividend for FY 2014-15 into the DEMAT Account of the IEPF Authority. These Equity Shares were the Shares of such 30 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2014-15 had been transferred into the IEPF and who had not encashed their dividends for 7 (Seven) years.

The Share Allotment and Transfer Committee, in its Meeting held on 20<sup>th</sup> March, 2023, also transmitted 8,447 Equity Shares of the Company into the DEMAT Account of the IEPF Authority held with NSDL (DPID/ Client ID IN300708/10656671) in terms of the provisions of Section 124(6) of the Companies Act, 2013 and the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time. These Equity Shares were the Shares of such 17 Shareholders whose unclaimed/ unpaid dividend pertaining to Financial Year 2015-16 (Interim) had been transferred into IEPF and who had not encashed their dividends for 7 (Seven) years.

Individual reminders were sent to concerned Shareholders advising them to encash their dividend and the complete List of such Shareholders whose

Shares were due for transfer to the IEPF was also placed in the Unclaimed Dividend section of the Investor Relations Section on the website of the Company at <https://havells.com/en/discover-havells/investor-relation/unclaimed-dividend.html>

With the transfer of abovesaid shares into IEPF, a total of 2,46,171 Shares of the Company (after taking into account the shares claimed back out of IEPF) were lying in the Demat A/c of the IEPF Authority, hereinabove mentioned, after considering the valid claims made therefrom.

Concerned Shareholders may still claim the shares or apply for refund to the IEPF Authority in Web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). The voting rights on shares transferred to the IEPF Authority shall remain frozen until the rightful owner claims the shares. The shares held in such DEMAT account shall not be transferred or dealt with in any manner whatsoever except for the purpose of transferring the shares back to the claimant as and when he approaches the Authority. All benefits except rights issue accruing on such shares e.g. bonus shares, split, consolidation, fraction shares etc., shall also be credited to such DEMAT account. Any further dividend received on such shares shall be credited to the IEPF Fund.

### 36. Shares lying in unclaimed suspense account in electronic mode

As at 31<sup>st</sup> March, 2023, total 1,72,100 Shares were lying in the Unclaimed Suspense Account in dematerialised form in the Havells India Limited Unclaimed Suspense A/c held with IDBI Bank Limited (DP). The voting rights on the said shares shall remain frozen till the rightful owner of such shares claims the shares. The rightful owner can still claim his/ her shares from the suspense account after complying with the procedure laid down in the statute regarding the same. The Company had so far transferred 2,27,100 (Two Lakhs Twenty Seven Thousand and One Hundred Only) Equity Shares into Unclaimed Share Suspense Account in terms of Regulation 39(4) read with Schedule VI to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Subsequently, 57,000 Shares of ₹ 1/- each were transferred to the rightful owners as approved by the Share Transfer and Allotment Committee. Further, the payment of unpaid/ unclaimed dividend for the last 7 (Seven) years has also been made to the said shareholders.

### 37. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2023-24 has already been paid to the credit of both the Stock Exchanges.

### 38. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **ANNEXURE - 7** and forms part of this Report.

### 39. Business Responsibility and Sustainability Report (BRSR)

As environmental, social and governance (ESG) issues become increasingly important for Companies, the way in which they report on these issues has also progressed. As the world becomes increasingly aware of the impact of business on society and the environment, the concept of ESG reporting warrants significant attention. Over the years Havells always believed in communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders.

Last year i.e., FY 2021-22, we had published our First BRSR report of the Company ahead of the mandate. We are proud to publish our 2<sup>nd</sup> BRSR of the Company for the year 2022-23. The BRSR would follow the format detailed in the amendment to Regulation 34(2) (f) of SEBI LODR Regulations vide Gazette notification no. SEBI/LAD-NRO/GN/2021/22 dated May 05, 2021 and will form a part of this Integrated Annual Report. The BRSR for Financial Year 2022-23 is aligned with the nine principles of the National Guidelines on Responsible Business Conduct notified by the Ministry of Corporate Affairs, Government of India. We have further enhanced our existing strong reporting structure and mechanisms to ensure we capture reliable and accurate data for the requirements of BRSR disclosures. We will from this year also get the key BRSR indicators (aligned with GRI standards) validated as part of our sustainability assurance framework. Havells strongly believes that resilient and inclusive growth is only possible on strong pillars of environmental and social

responsibility balanced with good governance. The report is a testimony to our continuous efforts towards embracing and implementing balanced approach to ESG parameters in our business operations that are communicated to the stakeholders in addition to our annually published voluntary sustainability disclosures based on globally accepted Global Reporting Initiative (GRI) standards and six capitals-based Value Reporting Foundation's framework on Integrated Reporting that is available on our website at [www.havells.com](http://www.havells.com).

We have also provided the requisite mapping of information and principles between the Sustainability disclosures and the Business Responsibility & Sustainability Report as prescribed by SEBI. The same is also available on the website [www.havells.com](http://www.havells.com).

### 40. Acknowledgements

The continued co-operation and support of its loyal customers has enabled the Company to make every effort in understanding their unique needs and deliver maximum customer satisfaction. Our employees at all levels, have been core to our existence and their hard work, co-operation and support is helping us as a Company face all challenges. Our vendors, who form a part of our global footprint reinforce our presence across the globe and relentlessly push forward in establishing the Havells brand. Our Company is always grateful for their efforts. The flagbearers of fair play and regulations, which includes the regulatory authorities, the esteemed league of bankers, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants and other stakeholders have all played a vital role in instilling transparency and good governance. The Company deeply acknowledges their support and guidance.

For and on behalf of  
**Board of Directors of Havells India Limited**

**Anil Rai Gupta**

Noida, May 3, 2023

Chairman and Managing Director

**NOMINATION AND REMUNERATION POLICY OF DIRECTORS,  
KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEE**

**Principle and Rationale**

Section 178 of the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 require the Nomination and Remuneration Committee of the Board of Directors of every listed entity, among other classes of companies, to

- formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- carry out evaluation of every director's performance.
- formulate the criteria for evaluation of Independent Directors and the Board.

Accordingly, in adherence to the abovesaid requirements and in line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of Havells India Limited hereinbelow recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the directors, key managerial personnel and other employees of the Company as set out below:

**Company Philosophy**

Havells is an equal opportunities employer. The organization does not discriminate on grounds of age, gender, colour, race, ethnicity, language, caste, creed, economic or social status or disability. The global workforce spread across continents, which has over the years transformed Havells into a global organisation forms the backbone of the entity. Pay revisions and other benefits are designed in such a way to compensate good performance of the employees of the Company and motivate them to do better in future. Employee recognition schemes in the form of ESOPs/ ESPS have also been introduced as successful tools in acknowledging their contribution and making them partners in the wealth created by Havells. The endeavour of the organization is to acknowledge the contributions of its directors, key managerial personnel and other employees with best compensation and benefits that appropriately reward performance in line with the regulatory and industry best practices.

**Guiding Principles**

In the formulation of this Policy, the Nomination and Remuneration Committee has also endeavoured to ensure the

guiding principles as prescribed u/s 178(4) of the Companies Act, 2013 and the section on Responsibilities of Board under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, summarized hereunder:

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate human resource including directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- c) remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- d) facilitating effective shareholder participation in key Corporate Governance decisions such as the nomination and election of board members;
- e) aligning key executive and board remuneration with the longer term interests of the company and its shareholders;
- f) ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

**Nomination of the Directors**

The Nomination and Remuneration Committee of the Board of Directors is dedicated to ensuring the continuance of a dynamic and forward-thinking Board and recommend to the Board qualified candidates for directorship.

Before recommending a nominee's candidature to the Board for being appointed as a Director, the following criteria set out may be applied as guidelines in considering potential nominees to the Board of Directors.

**General Criteria**

The background and qualifications of the Directors considered as a group should provide a significant breadth of experience, knowledge and abilities to assist the Board in fulfilling its responsibilities.

- Directors should be selected so that the Board of Directors should remain as a diverse body, with diversity reflecting gender, ethnic background, country of citizenship and professional experience. Because a mix of viewpoints and ideas enhances the Board's ability to function effectively, the Committee shall consider the diversity of the existing Board when considering potential nominees, so that the Board maintains a body of directors from diverse professional and personal backgrounds.

- Potential nominees shall not be discriminated against on the basis of race, religion, national origin, sex, disability or any other basis prohibited by law.
- Any nominee should be free of any conflict of interest which would violate any applicable law or regulation or interfere with the performance of the responsibilities of a director.
- Commitment of the nominee to understanding the Company and its industry, embracing the organization's values to help shape its vision, mission and strategic direction including oversight of risk management and internal control.
- Commitment of the nominee to spending the time necessary to function effectively as a Director, including attending and participating in meetings of the Board and its Committees.

### Specific Criteria

- Demonstrated business acumen, experience and ability to use sound judgment and to contribute to the effective oversight of the business and financial affairs of a large, multifaceted, global organization.
- The nominee reflects the right corporate tone and culture and excels at board-management relationships.
- Experience in strategic planning and managing multidisciplinary responsibilities, the ability to navigate among diverse professional groups and points of view, a track record of communicating effectively in a global environment and high standards of integrity and professional conduct.
- Nominees understand and endeavour to balance the interests of shareholders and/ or other stakeholders and put the interests of the company or organization above self-interest. He/ she has demonstrated a commitment to transparency and disclosure.
- He/ she is committed to superior corporate performance, consistently striving to go beyond the legal and/or regulatory governance requirements to enhance, not just protect, shareholder value.
- Nominee contributes to effective governance through superior, constructive relationships with the Executive Directorate and management.

### Remuneration of the Directors

The Company strives to provide fair compensation to directors, taking into consideration industry benchmarks, Company's performance vis-à-vis the industry, responsibilities shouldered, performance/ track record, macroeconomic review on remuneration packages of heads of other organizations.

The remuneration payable to the directors of the company, shall at all times be determined, in accordance with the provisions of the Companies Act, 2013.

### Appointment and Remuneration of Managing Director and Whole-time Director

The terms and conditions of appointment and remuneration payable to a Managing Director and Whole-time Director(s) shall be recommended by the Nomination and Remuneration Committee to the Board for its approval which shall be subject to approval by shareholders at the next general meeting of the Company and by the Central Government in case such appointment is at variance to the conditions specified in Schedule V to the Companies Act, 2013. Approval of the Central Government is not necessary if the appointment is made in accordance with the conditions specified in Schedule V to the Act.

In terms of the provisions of the Companies Act, 2013, the Company may appoint a person as its Managing Director or Whole-time Director for a term not exceeding 5 (Five) years at a time.

The executive directors may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

The break-up of the pay scale, performance bonus and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and shall be within the overall remuneration approved by the shareholders and Central Government, wherever required.

While recommending the remuneration payable to a Managing/ Whole-time Director, the Nomination and Remuneration Committee shall, inter alia, have regard to the following matters:

- Financial and operating performance of the Company;
- Relationship between remuneration and performance;
- Industry/ sector trends for the remuneration paid to executive directorate.

Annual Increments to the Managing/ Whole-time Director(s) shall be within the slabs approved by the Shareholders. Increments shall be decided by the Nomination and Remuneration Committee at times it desires to do so but preferably on an annual basis.

### Insurance Premium as Part of Remuneration

Where any insurance is taken by a company on behalf of its Managing Director, Whole-time Director, Manager, Chief Executive Officer, Chief Financial Officer or Company Secretary for indemnifying any of them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the company, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

However, if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### Remuneration of Independent Directors

Independent Directors may receive remuneration by way of

- Sitting fees for participation in the Board and other meetings;
- Reimbursement of expenses for participation in the Board and other meetings;
- Commission as approved by the Shareholders of the Company.

Independent Directors shall not be entitled to any stock options.

Based on the recommendation of the Nomination and Remuneration Committee, the Board may decide the sitting fee payable to independent directors. Provided that the amount of such fees shall not exceed the maximum permissible under the Companies Act, 2013.

### Remuneration to Directors in other Capacity

The remuneration payable to the directors including managing or whole-time director or manager shall be inclusive of the remuneration payable for the services rendered by him in any other capacity except the following:

- (a) the services rendered are of a professional nature; and
- (b) in the opinion of the Nomination and Remuneration Committee, the director possesses the requisite qualification for the practice of the profession.

### Evaluation of the Directors

As members of the Board, the performance of the individual Directors as well as the performance of the entire Board and its Committees is required to be formally evaluated annually.

Section 178(2) of the Companies Act, 2013 also mandates the Nomination and Remuneration Committee to carry out evaluation of every director's performance.

In developing the methodology to be used for evaluation on the basis of best standards and methods meeting international parameters, the Board/ Committee may take the advice of an independent professional consultant.

### Nomination and Remuneration of the Key Managerial Personnel (other than Managing/ Whole-time Directors), Key Executives and Senior Management

The executive management of a company is responsible for the day to day management of a company. The Companies Act, 2013 has used the term "key managerial personnel" to define the executive management.

The KMPs are the point of first contact between the company and its stakeholders. While the Board of Directors are responsible for providing the oversight, it is the key managerial

personnel and the senior management who are responsible for not just laying down the strategies as well as its implementation.

The Companies Act, 2013 has for the first time recognized the concept of Key Managerial Personnel. As per section 2(51) "key managerial personnel", in relation to a company, means—

- (i) the Chief Executive Officer or the Managing Director or the Manager;
- (ii) the Whole-time Director;
- (iii) the Chief Financial Officer;
- (iv) the Company Secretary;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board and
- (v) such other officer as may be prescribed.

Among the KMPs, the re-muneration of the CEO or the Managing Director and the Whole-time Director(s), shall be governed by the Section on REMUNERATION OF THE DIRECTORS of this Policy dealing with "Remuneration of Managing Director and Whole-time Director".

Apart from the directors, the remuneration of

- All the Other KMPs such as the company secretary or any other officer that may be prescribed under the statute from time to time; and
- "Senior Management" of the Company which here means, the core management team comprising of such members of management as determined by the Company under Layer 1 of the System-Driven Disclosures in respect of Regulation 7(2)(b) of PIT Regulations, shall be determined by the Human Resources Department of the Company in consultation with the Managing Director and/ or the Whole-time Director Finance.

The remuneration determined for all the above said senior personnel shall be in line with the Company's philosophy to provide fair compensation to key - executive officers based on their performance and contribution to the Company and to provide incentives that attract and retain key executives, instill a long-term commitment to the Company and develop a pride and sense of Company ownership, all in a manner consistent with shareholder interests.

The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided by the Company's HR department.

Decisions on Annual Increments of the Senior Personnel shall be decided by the Human Resources Department in consultation with the Managing Director and/ or the Whole-time Director Finance of the Company.



### Remuneration of other Employees

Apart from the Directors, KMPs and Senior Management, the remuneration for rest of the employees is determined on the basis of the role and position of the individual employee, including professional experience, responsibility, job complexity and local market conditions.

The Company considers it essential to incentivize the workforce to ensure adequate and reasonable compensation to the staff. The Human Resources Department shall ensure that the level of remuneration motivates and rewards high performers who perform according to set expectations for the individual in question.

The various remuneration components, basic salary, allowances, perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

The annual increments to the remuneration paid to the employees shall be determined based on the annual appraisal carried out by the HoDs of various departments.

Decisions on Annual Increments shall be made on the basis of this annual appraisal.

#### General

This Policy shall apply to all future employment of Company's Senior Management including Key Managerial Personnel and Board of Directors.

Any or all the provisions of this Policy would be subject to the revision/ amendment in the Companies Act, 2013, related rules and regulations, guidelines and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the subject as may be notified from time to time. Any such amendment shall automatically have the effect of amending this Policy without the need of any approval by the Nomination and Remuneration Committee and/ or the Board of Directors.

Form No. MR-3

**SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023**

[Pursuant to section 204(1) of the Companies Act, 2013 and  
Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To  
The Members,  
**Havells India Limited**  
904, 9<sup>th</sup> Floor, Surya Kiran Building,  
KG Marg, Connaught Place, New Delhi 110001

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HAVELLS INDIA LIMITED [CIN L31900DL1983PLC016304]** (hereinafter called “the Company”). Secretarial Audit has been conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year commencing from April 1, 2022 and ended on March 31, 2023 (“Audit Period”) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2023 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder to the extent notified and came into force;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 (FEMA) & the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;  
Not applicable to the Company during the Audit Period
  - i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.  
Not applicable to the Company during the Audit Period
- 6) The Employees State Insurance Act, 1948;
- 7) Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- 8) Employers Liability Act, 1938;
- 9) Environment Protection Act, 1986 and other environmental laws;
- 10) Air (Prevention and Control of Pollution) Act, 1981;
- 11) Factories Act, 1948;
- 12) Industrial Dispute Act, 1947;
- 13) Payment of Wages Act, 1936 and other applicable labour laws.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the audit Period under review, the Company has complied with the provisions of the Acts, Laws and Regulations and guidelines, to the extent applicable, as mentioned above.

#### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors and Committees thereof that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

All decisions were carried out with unanimous consent and therefore no dissenting views were captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines as stated above.

To  
The Members,  
**Havells India Limited**  
904, 9<sup>th</sup> Floor, Surya Kiran Building,  
KG Marg, Connaught Place, New Delhi 110001

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations & happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company not the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Delhi  
Date: 01.05.2023

#### We further report that during the period under review:

- The Company has issued and allotted 41,415 Equity Shares for Financial Year 2021-22 to Havells Employees Welfare Trust under the Havells Employees Long Term Incentive Plan 2014.
- The Company has issued and allotted 1,50,000 Equity Shares for Financial Year 2021-22 to eligible Employees under the Havells Employees Stock Purchase Scheme 2015.
- The Company has issued and allotted 13,534 Equity Shares for Financial Year 2021-22 to eligible Employees under the Havells Employees Stock Purchase Scheme 2016.
- The Company has issued and allotted 1,722 Equity Shares for Q4 Financial Year 2021-22 to Havells Employees Welfare Trust under the Havells Employees Stock Purchase Scheme 2022.

For **Balika Sharma & Associates**  
Company Secretaries

Place: Delhi  
Date: 01.05.2023

**Balika Sharma**  
Proprietor  
FCS No: 4816  
C P No: 3222  
UDIN: F004816E000230756

**Note:** This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of this report.

**ANNEXURE – 1**

For **Balika Sharma & Associates**  
Company Secretaries

**Balika Sharma**  
Proprietor  
FCS No: 4816  
C P No: 3222  
UDIN: F004816E000230756

**Details of Investments as on 31<sup>st</sup> March, 2023**

<b>Name of Company</b>	<b>Amount (₹ in crores)</b>
Singularity Furniture Private Limited	20.00
Havells Guangzhou International Limited	0.45
<b>TOTAL</b>	<b>20.45</b>

**Details of Loans as on 31<sup>st</sup> March, 2023**

As at 31<sup>st</sup> March, 2023, the Company has not given any loan.

**Details of Guarantees as on 31<sup>st</sup> March, 2023**

As at 31<sup>st</sup> March, 2023, the Company has not given any guarantee.

**Form No. AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis –

**NONE; DURING THE REPORTING PERIOD, ALL TRANSACTIONS WERE AT ARM'S LENGTH BASIS.**

- (a) Name(s) of the related party and nature of relationship: **N.A.**
- (b) Nature of contracts/ arrangements/ transactions: **N.A.**
- (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
- (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
- (f) Date(s) of approval by the Board: **N.A.**
- (g) Amount paid as advances, if any: **N.A.**
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**

2. Details of material contracts or arrangement or transactions at arm's length basis –

**NONE; DURING THE REPORTING PERIOD, THERE WAS NO MATERIAL\* CONTRACT OR ARRANGEMENT.**

(\*As defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and adopted by the Board of Directors in the Related Party Transactions Policy of the Company, "Material Related Party Transaction" a transaction with a related party, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year a) exceeds 1,000 Crore or b) 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.)

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/ arrangements/ transactions: N.A.
- (c) Duration of the contracts/ arrangements/ transactions: N.A.
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: N.A.
- (e) Date(s) of approval by the Board, if any: N.A.
- (f) Amount paid as advances, if any: N.A.

For and on behalf of  
**Board of Directors of Havells India Limited**

**Anil Rai Gupta**  
Chairman and Managing Director

Noida, May 3, 2023

**ANNUAL REPORT ON CSR PURSUANT TO RULE 8 OF THE COMPANIES  
(CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014**

The CSR programmes and pursuits of the Company are illustrated in the Social & Relationship Capital section of the Integrated Report on page no. 45-48

**1. Brief outline on CSR Policy of the Company**

In adherence to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 23<sup>rd</sup> April, 2014, approved a CSR Policy of the Company. The CSR Policy was last reviewed by the Board on 20<sup>th</sup> October, 2021.

In accordance with the primary CSR philosophy of the group and the specified activities under Schedule VII to the Companies Act, 2013, the CSR activities of the Company cover certain thrust areas such as mid-day meals, sanitation facilities, preservation of heritage monuments, afforestation etc.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/CSR\\_Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf) in the 'Investor Relations Section' under "Codes & Policies".

**2. Composition of CSR & ESG Committee**

As at 31<sup>st</sup> March, 2023, the Corporate Social Responsibility & Environmental, Social and Governance Committee comprised of 4 (Four) Members of the Board, 2 (Two) of which were Independent Directors, 1 (One) Non-Executive and 1 (One) was Executive. The Chairman of the Committee is an Independent Director.

S. No.	Name and Designation/ Nature of Directorship	Total No. of CSR & ESG Committee Meetings held during the year – 2	
		Attendance in CSR & ESG Committee Meetings held on	
		4 May 22	19 Oct 22
1	Shri Vivek Mehra,* Independent Director, Chairman	NA	✓
2	Shri Jalaj Ashwin Dani, Independent Director, Member	✓	✓
3	Shri Surjit Kumar Gupta,** Non-Executive Director, Member	NA	✓

S. No.	Name and Designation/ Nature of Directorship	Total No. of CSR & ESG Committee Meetings held during the year – 2	
		Attendance in CSR & ESG Committee Meetings held on	
		4 May 22	19 Oct 22
4	Shri Rajesh Kumar Gupta, Executive Director, Member	✓	✓
5	Shri B Prasada Rao,*** Independent Director, Member	✓	NA
6	Shri Anil Rai Gupta,*** Executive Director, Member	✓	NA

\* Appointed as Member and Chairman w.e.f. 5<sup>th</sup> May, 2022

\*\* Appointed as Member w.e.f. 5<sup>th</sup> May, 2022

\*\*\* Ceased to be Members w.e.f. 5<sup>th</sup> May, 2022

**3. Provide the web-link where Composition of CSR & ESG Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company**

CSR & ESG Committee – <https://havells.com/en/aboutus/committees.html>

CSR Policy – [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/CSR\\_Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf)

CSR Programmes – <https://havells.com/en/corporate-social-responsibility.html>

**4. Provide the executive summary along with web-link(s) of Impact Assessment of**

CSR Projects carried out in pursuance of sub-rule (3) of Rule 8, if applicable.

An executive summary of the Impact Assessment Report is attached as an annexure to this Report and the complete Impact Assessment Report can be accessed at <https://havells.com/HavellsProductImages/HavellsIndia/HavellsCSR/Executive-Summary-IAS.pdf>

5. (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 1,333.98 Crores
- (b) Two percent of average net profit of the company as per sub-section (5) of Section 135: ₹ 26.68 Crores
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set off for the financial year, if any: ₹ 0.72 Crores
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 25.96 Crores
6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 26.79 Crores
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.10 Crores
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 26.89 Crores
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crores)	Amount Unspent (₹ in crores)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
26.89 crores	Nil	NA	NA	Nil	NA

- (f) Excess amount for set off, if any

S. No.	Particulars	Amount (₹ in crores)
(i)	Two percent of average net profit of the company as per sub-section (5) of Section 135	26.68 Cr
(ii)	Total amount spent for the Financial Year (including amount required to be set off for the financial year as referred in Pt No 5(d) above)	27.61 Cr
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.93 Cr
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.93 Cr

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (₹ In Crores)	Balance Amount in Unspent CSR account under sub-section(6) of section 135 (₹ In Crores)	Amount Spent in the Financial Year (₹ In Crores)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (₹ In Crores)	Deficiency, if Any
					Amount (₹ In Crores)	Date of Transfer		
1	2021-22	12 Cr	12 Cr	4 Cr	0.09	29.09.2021	8 Cr	Nil
2	2022-23	-	8 Cr	4 Cr			4 Cr	Nil

**Note:** The company had earned an interest of ₹ 0.41 crores in FY 2022-23 (0.48 crores in FY 2021-22) on the funds in CSR unspent bank account during the year, which is proposed to be spent in FY 2023-24 on ongoing project.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:

Yes

If Yes, enter the No. (amount) of Capital assets created/ acquired ₹ 14.55 Crores

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pincode of the property or asset(s)	Date of Creation	Amount of CSR Spent (₹ in crores)	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	CSR Registration Number, if applicable
(1)	(2)	(3)	(4)	(5)	(6)		
1	Building Infrastructure (Work-in-Progress) Plaksha University, Block B, Sector 101, Alpha, SAS Nagar, Punjab	140306	01.04.2022	4.68	CSR00002211	Reimagining Higher Education Foundation	302, Gopal Heights, Netaji Subhash Place, New Delhi - 110034
2	Building Infrastructure (Work-in-Progress) Plaksha University, Block B, Sector 101, Alpha, SAS Nagar, Punjab	140306	01.04.2022	7.67	CSR00002211	Reimagining Higher Education Foundation	302, Gopal Heights, Netaji Subhash Place, New Delhi – 110034
3	01 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	08.04.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
4	01 Office Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	20.07.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
5	01 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	24.08.2022	0.01	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
6	05 Bolero Pick Up QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	03.09.2022	0.51	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
7	16 Bolero Pick Up QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	13.03.2023	1.53	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
8	70 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	28.03.2023	0.04	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar
9	180 Kitchen Equipment, QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar	301001	30.03.2023	0.09	CSR00001995	QRG Foundation	QRG Foundation, F-36 to 41, Agro Food Park, M.I.A., Alwar

9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135 - **NA**

**Anil Rai Gupta**  
Chairman and Managing Director

**Vivek Mehra**  
Chairman CSR & ESG Committee

Noida, May 2, 2023



## IMPACT ASSESSMENT STUDY OF CSR PROJECTS OF HAVELLS INDIA LIMITED

Prepared by: RRCO Consulting Private Limited



### Terms of Reference, Objective & Approach to IAS

- Social and environmental responsibility has always been at the forefront of Havells India Limited (HIL) operating philosophy and as a result HIL consistently contributes to socially responsible activities and has taken up multifarious initiatives and implemented several projects in the eight pillars.

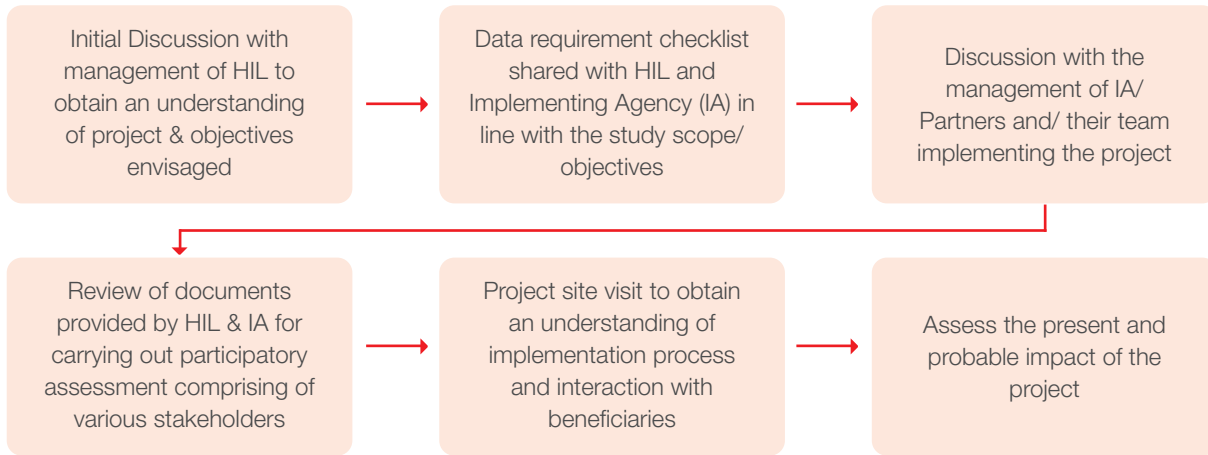


- HIL has appointed our company "RRCO Consulting Private Limited" to conduct the Impact Assessment Study (IAS) of its following CSR Projects for the FY 2020-21 ('the Study/ Review Period').
  - Distribution of re-usable sanitary pads (hereinafter referred to as "Project 1")
  - Trees Plantation work (hereinafter referred to as "Project 2") in Bhopal (Madhya Pradesh)

### Objectives of IAS

- Undertake an assessment of project design in terms of its relevance and contribution to the development of community & to the beneficiaries.
- Assess the performance of project in terms of effectiveness, efficiency & timeliness of processing the expected outputs in qualitative and/ or quantitative aspects.
- Ascertain the sustainability of project being implemented.
- Help in better planning of future projects.

### Approach to the Study



### HIL's CSR Projects – Overall assessment

PROJECTS	DISTRIBUTION OF REUSABLE SANITARY NAPKINS - PROJECT 1	TREES PLANTATION (BHOPAL) – PROJECT 2	
KEY EVALUATION PARAMETERS/ CRITERIA	<b>Relevance</b>	Project was found to be relevant and addressing a felt need in the desired area.	Project was found to be relevant and addressing a felt need in the desired areas.
	<b>Effectiveness (Objective Achieved)</b>	<ul style="list-style-type: none"> <li>Self Confidence and Increased Awareness levels including pain management</li> <li>Improvement in Attendance</li> <li>Shifting from Cloth/ Expensive pads to Reusable Sanitary Napkins</li> </ul>	Short Term (Project is in nascent stage)
	<b>Efficiency (Fund Utilization)</b>	Funds utilized for the Purpose envisaged	Funds utilized for the Purpose envisaged
	<b>Efficacy (Interactions with Stakeholders to assess their satisfaction levels)</b>	189 Beneficiaries (116 Girls & 73 Women), QRG Foundation & Implementation Partners (Baala Triple E Care LLP & 3 NGOs)	20 Stakeholders -14 Employees (comprising Project Ranger Officers, Assistant Project Managers, Forest Guards & Watch and Ward staff), Village Sarpanch & 5 labourers.
	<b>Documentation Accessibility</b>	MoUs, Fund Utilization details, Publicity, Feedback letters, Media Report, List of NGOs/ Agencies/ Schools wherein reusable sanitary pads distributed, Site Visit	MoU, Annual Appraisal Reports, Soil Testing Report, Training Certificate, Utilization details, Newspaper clipping, Site Visit
	<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Till now more than 4,00,000 Reusable Sanitary Pads kits have been distributed. Further, mechanism for distribution through Agencies/ NGOs &amp; infrastructure is in place for enabling scalability. Volunteers have been adequately trained for conducting/ handling workshops.</li> <li>Pads are considered to be expensive and people are shifting to reusable sanitary napkins &amp; in this way attendance is also improving but still there are social taboos in the mind of people which need to be changed so the program will be sustainable.</li> </ul>	Basis our naked eye assessment and that of villagers, survival rate of plants is around 75%-80% and density of forest has increased. Therefore, long term targets need to be discussed and defined post interaction with MPRVVN as to whether 80% would be sustained. In case, the plants get destroyed in the year of plantation, the same are replanted in the next year and this process is possible in the initial 1 to 2 years. It is therefore essential to look at sustainability of survival rate in the medium term at the end of 5/6 years post plantation to understand the overall impact.
	<b>Overall Impact</b>	Though Self Confidence and awareness level have increased & people have shifted from cloth/ expensive pads to reusable sanitary napkins, still there exist challenges to be addressed like religious taboos which is most strongly observed, women in slum areas don't take medicine for pain management and don't discuss about menstruation. Need felt for spreading increased awareness through periodic workshops/ programs.	Short term objective of providing employment and enhancing the livelihoods for people met (16,00,000 teak saplings planted since 2019 till 31 <sup>st</sup> March 2023 under Vidisha - Raison Project Board/ Division). However, overall socio economic impact can be assessed in long term in terms of soil fertility, creation of carbon sink and economic viability. Further, survival rate needs to be visited.

## ANNEXURE – 6

## (A) Details pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Relevant clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration (excluding Commission) of each director to the median remuneration of the employees of the Company for the financial year	<ul style="list-style-type: none"> <li>- Ratio of the remuneration of Shri Anil Rai Gupta, Chairman and Managing Director to the median remuneration of the employees – <b>74:1</b></li> <li>- Ratio of the remuneration of Shri Ameet Kumar Gupta, Whole-time Director to the median remuneration of the employees – <b>29:1</b></li> <li>- Ratio of the remuneration of Shri Rajesh Kumar Gupta, Whole-time Director (Finance) and Group CFO – <b>66:1</b></li> <li>- Ratio of the remuneration of Shri Siddhartha Pandit, Whole-time Director – <b>11:1</b></li> </ul>
(ii)	Percentage increase in remuneration (excluding Commission) of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<ul style="list-style-type: none"> <li>- Shri Anil Rai Gupta, CMD – <b>11 %</b></li> <li>- Shri Ameet Kumar Gupta, WTD – <b>10.84 %</b></li> <li>- Shri Rajesh Kumar Gupta, WTD (CFO) – <b>11.11 %</b></li> <li>- Shri Siddhartha Pandit, WTD – <b>6.29 %</b></li> <li>- Shri Sanjay Kumar Gupta, CS – <b>7.55 %</b></li> </ul>
(iii)	Percentage increase in the median remuneration of employees in the financial year	<b>4.58 %</b>
(iv)	Number of permanent employees on the rolls of company	<b>6,822 Employees</b>
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<ul style="list-style-type: none"> <li>- Average increase in remuneration of Managerial Personnel – <b>10.55 %</b></li> <li>- Average increase in remuneration of employees other than the Managerial Personnel – <b>9.80 %</b></li> </ul> <p>The top-level compensation is linked to Profit Before Tax.</p>
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Other Employees of the Company, formulated pursuant to the provisions of Section 178 of the Companies Act, 2013.

## (B) Statement Showing Particulars of Employees Pursuant to the Provisions of Section 197(12) of the Companies Act, 2013 Read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of employee remuneration as required under provisions of Section 197 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Rules are available to any shareholder for inspection on request. Such details are also available on your Company's website at <https://havells.com/en/discover-havells/investor-relation/disclosures.html>

**Disclosure pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014**
**(A) CONSERVATION OF ENERGY**
**(i) Steps taken or impact on Conservation of Energy**

At Havells, our continuous approach is towards achieving maximum energy efficiency in our operations and products. We do it through implementing one of the best Energy Management Systems (ISO 50001-EnMs), Cutting Edge Technology and dedicated Research & Development Centres. During 2022-23 Havells undertook 42 projects towards conservation of energy. For optimising the energy requirement, replacing the motors and pumps with energy efficient motors is one of the key element. Also, initiatives are taken up for saving energy through control of idle running of machines and conveyors. Through our initiatives, we were able to mitigate 1711 tons of CO<sub>2</sub> emissions thereby contributing to combatting climate change. Details for the projects is given below:

Description of the project	Energy saved per year (kWh)	Capital Expenditure incurred in purchase of energy conservation equipment (₹)
Energy Saved due to Optimization of motors and pumps	0.79 Lakhs kWh	8.00 Lakhs
Process Optimization and Elimination of Idle running of machines and equipment	0.01 Lakhs kWh	Nil
Savings through Installation of New machines, technology (dryer installation, energy efficient fans, etc.)	20.59 Lakhs kWh	144.83 Lakhs
<b>TOTAL</b>	<b>21.39 Lakhs kWh</b>	<b>152.84 Lakhs</b>

**(ii) Steps taken by the Company for utilizing alternate sources of energy**

Energy saving using Solar Energy is another important drive Havells has taken. Through this addition of solar power, at present solar power generation capacity is 9.0 MW, which is about 8.1 % of total electricity consumption. Through our initiatives, we were able to offset 7331 tons of CO<sub>2</sub> emission by Solar. Projects are identified to add solar panels during 2023-24 and to enhance the operating efficiency of existing solar generation system.

**(iii) Capital Investment on Energy Conservation Equipments**

During the financial year the Company has invested ₹ 152.84 Lakhs for alternate sources of energy and new technology. A focused action is on to identify opportunity

for identifying all such equipment and machinery wherever new technologies are available which can help in optimizing energy requirements.

**(B) TECHNOLOGY ABSORPTION**
**(i) Efforts made towards technology absorption**
**Havells R&D Commitment:**

Havells is leading the benchmark among FMEGs (Fast Moving Electrical Goods) in India with its well-established R&D capabilities. With the focus on Innovation as one of the main pillars for growth, we are investing significantly in R&D competency and infrastructure build-up. Our efforts are centered around the three Research and Innovation centers:

- Havells Customer Experience and Design (CXD) studio based out of Noida which plays the vital role of understanding evolving consumer needs and key factors driving their preferences through advanced design thinking and research methodologies paving the way to consumer-centric product and user experience designs.
- Bengaluru Innovation Center continues to lead the ownership of critical and future technologies delivering specific platform-based solutions that are applied across multiple business segments, thus enabling our products to maintain a competitive edge and gain from the synergies of the underlying technology platforms.
- The R&D center at Noida powers the quality and reliability core of Havells brand promise with state-of-the-art facilities for prototyping, endurance testing, materials characterization and advanced methods like simulations-based designs across the complete product portfolio.

The Company's emphasis is on nurturing an Innovation culture and building long-term intellectual assets. A year-on-year increase in the number of IP filings and prestigious awards from domestic and international accredited bodies is a living testimony of these efforts.

**Basic Tenets of Technology Absorption:**

We are living in a world where disruptions are the new normal, making it imperative to respond quickly to evolving customer preferences keeping technological advances at the core of our strategy. Our approach towards agility and flexibility combines both in-house R&D capabilities as well as leveraging our partners' ecosystem.

Some of the pillars and cornerstones driving new technology introduction in our industry are listed in the following section, which also forms the strategic basis of our technology absorption, adaptation and innovation for our products.

### SMART Connected Products

Havells R&D vision is focused on going deeper into consumer life and homes in smart, healthy and intelligent ways. This year we expanded our range of smart products to include the Glamax light range providing connected and customizable mood lighting options, Smart IoT pump and Smart Monoblock switch panel for home automation. Beyond products, our own IoT platform continues to power the Havells Sync app for a seamless consumer experience from purchase to usage. Our IoT platform supports multiple communication protocols like Wifi, Bluetooth mesh, Zigbee topology and even ODV (On Device Voice) for direct voice commands.



Havells Glamax Smart Bulbs

### Adherence to Regulations and Standards:

We are addressing the ever-increasing drive toward energy efficiency for electrical and electronic products.

The Bureau of energy efficiency (BEE) introduced mandatory Star ratings for ceiling fans from 1<sup>st</sup> January, 2023. From the release of this mandate in June 2022, with a well-coordinated effort between business, R&D and manufacturing teams we managed updates and registration of our Fans portfolio within the stipulated timeline.

Another key BEE mandate this year was an increase in the energy efficiency index for AC Star ratings. All AC SKUs are upgraded to keep up with a more stringent requirement, specifically for 5-Star variants, it meant major upgrades in terms of updated compressor design, change to BLDC motor, electronic valve controls and chassis design changes.

### Specific Efforts of Technology Absorption

To list a few examples where technology absorption has helped us create differentiated products in the market include:

- **Democratizing technology for seamless consumer experience:** Havells Studio Meditate air purifier with Space tech. is a great testimonial of our efforts towards in-house designed, developed and manufactured air purifiers. Apart from being aesthetically superior, it hosts many industry-first features like TiO<sub>2</sub>-based photocatalytic disintegration of VOCs (Volatile Organic Compounds like microbes, etc.), a mobile AQI unit for real-time air quality check across the space and an intelligent user interface with predictive analytics.



Havells Meditate Air purifier

Our in-house designed and developed Q-Tron industrial circuit-breaker range sets up a benchmark with global standards, driving us ahead of domestic players, a feat achieved by a relentless pursuit of excellence over the last couple of years, well supported by our manufacturing and vendor ecosystem.



Havells QTRON MCCB Range

Our current tally of highly energy-efficient BLDC fans stands at 22 models (vs 2 models in 2020) and we expect this range of fans to increase share in our total portfolio in the coming years.



**Havells Bianco Bronze Astura BLDC**

- **Pushing design boundaries with new forms and features:** For long, light battens have followed the conventional linear shape with opaque end caps. With LED Glamtubes, we broke this monotonicity by introducing aesthetically superior designs with endless glow achieved by new manufacturing processes. Another breakthrough along the same lines is the Nimbus bezel glow downlights presenting differentiated aesthetics (compared to the conventional downlights) with higher lumen output. This has been achieved through innovative play of light optics to create a reflection of the emitted LED light through the bezel to give the effect of “illuminated bezel” or “rim-less panels”.



**Glamtubes**



**Nimbus Light**

In water heaters, Havells launched an unconventionally beautiful range of storage water heaters- Otto and Orizzonte with unique circular designs and AC-type space-saving designs respectively along with features like digital display, color-changing LED and remote control. All these products have been extremely well-received by our consumers.



**Otto and Orizzonte Storage water heater**

- **Reduction in import dependence and contribution towards Make in India:** In domestic appliances, we are on a path of self-reliance by reducing our import dependence. This year we have localized Hair dryers, Hand blenders, Toasters and Radiation type room heaters. This is being done in close collaboration with our local vendor base thereby pushing the “Make in India” proposition to newer heights.



- **Lloyd Consumer Goods:** Lloyd ACs introduced ODV (On Device voice) feature allowing direct voice commands by users without the need for any Wifi or Bluetooth connection delivering the ultimate hassle-free experience. Other key features of ACs introduced this year include AQI (air quality indicator) and a 5-Star variant of hot and cold AC with an operating temperature range of -10 to 52 degree Celsius.



**Heavy Duty AC IAQ**

- **Pumps and Motors:** We expanded our product lines by introducing Sewage submersible pumps and multi-stage booster pumps. Our complete motors portfolio is now IP66 certified.



Submersible pump

- **Solar products:** This year we have launched a range of Solar Power conditioners that provides consumers with solar and grid preferential usage modes with Maximum power point tracking (MPPT) Battery charger that reduces switching losses and better energy harvest.



Havells 1KW Solar PCU

(ii) Benefits derived from these R&D Efforts:

With our R&D endeavour of democratizing technology through customer-centric innovations, in FY 2022-23, we have completed 342 NPD (New Product Development) projects.

To further augment our product development capabilities newer Simulation methodologies related to drop-tests for physical products, packaging validations and plasma-arc physics are in the advanced stages of deployment. With these interventions, we aim at reducing the cycle time of product development along with increased feature iterations to deliver highly optimized and superior products.

Our focus continues to be on long-term IP creation. During FY 2022-23, we have added 38 new patent applications and 213 new design registrations increasing our cumulative tally to 150 and 985 respectively. Our journey of intellectual property protection has started to show results with Havells having a grant of 21 patents.

Throughout the year we have received awards and recognitions from acclaimed local and global bodies in the fields of design, technology and Innovation. The following is to list of the major awards and grants:

- India's Best Design In-house Studio Award 2022 to Havells CXD
- National accreditation board of Testing & Calibration Laboratories (NABL) accreditation to Havells Faridabad plant electrical lab
- Consumer survey of Product Innovation, Product of the year 2022 to Lloyd Elante washing machine
- European product design award to Meditate UX
- Golden Pin design award to Freedom architectural light
- DIA Design Intelligence award to Freedom architectural light and Vogue Highbay
- CII Design Excellence award to Vogue Highbay and Lloyd Elante washing machine



Indias Best In-House Design Studio Trophy



NABL Certificate



Various product and design awards

Havells R&D will continue the journey of technology transformation, keeping customer centricity at the core of all our processes and practices, to be a leading Global organization delivering value to our shareholders.

- (iii) Technology import and absorption (imported during the last three years reckoned from the beginning of the financial year)

Arc Fault Detection: This technology for fault detection and protection in electrical circuits was imported from Western Automation, Ireland in the year 2019. It was fully absorbed and used in the AFDD range of circuit breakers during the previous financial year ended on 31<sup>st</sup> March, 2022.

The Company shall continue its endeavour to adopt technologies for its product range to meet the requirements of a globally competitive market.

**The expenditure incurred on Research and Development**

(₹ in Crores)		
Particulars	2022-23	2021-22
(a) Capital	15.09	6.28
(b) Recurring	148.09	103.98
<b>TOTAL</b>	<b>163.18</b>	<b>110.26</b>
<b>Total R &amp; D expenditure as % of Total Turnover</b>	<b>0.97%</b>	<b>0.79%</b>

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

We are continuing our investments on People, Certifications & Product Development with a deeper focus on the developed markets. We are also strengthening our efforts on Brand Building at focused geographies and building new channel partners across different geographies.

The details of Foreign exchange earnings and outgo during the period under review is as under:

(₹ in Crores)		
Particulars	2022-23	2021-22
Foreign Exchange earned	364.58	455.47
Foreign Exchange used	2,937.63	2,334.85

For and on behalf of  
**Board of Directors of Havells India Limited**

**Anil Rai Gupta**

Chairman and Managing Director

Noida, May 3, 2023



# Business Responsibility & Sustainability Reporting

## FOREWORD

The world faces a set of risks that feel both wholly new and eerily familiar. The ongoing decade will be characterized by environmental and societal crises, driven by underlying geopolitical and economic trends. The recently published Global Risks Report 2023 by the World Economic Forum emphasizes that environmental risks will dominate the top 10 risks over the current decade. Failure to address this risk could result in severe consequences for the economy as a whole. Companies, at large, need to focus not just on integrating ESG strategy into their value story but also on communicating this strategy and vision to its stakeholders. The past year, Havells continued to focus on the aspects of Environment, Social and Governance (ESG) that would work towards an inclusive society, which is stronger and more resilient.

Our business sustainability is the key metric for our entry and expansion into any new category. Sustainability is not confined to Environment, Social and Governance, it is in each aspect of the organization whether it is quality of the product or efficient utilization of resource in the manufacturing process. Energy efficiency and emission reduction are our key drivers in our overall ESG strategy to increase resilience towards climate change. During F.Y. 2023, we had undertaken multiple key energy efficient measures such as:

- Launching of fans with BLDC motor technology which saves ~ 50% power consumption in comparison to traditional fans.
- In Washing Machines category ~ 90% of our products are energy efficient and BEE star rated. Further, we have reduced water consumption during water testing in manufacturing by usage of re-cycled water.
- In Desert cooler category, design optimized for reduced power consumption by ~15%. Further, developed BLDC motor for air cooler resulting in power consumption saving by ~ 40%.

In the fiscal year 2022-23, we eliminated ~ 9,042 tCO2 on account of implementation of over 40 energy conservation projects and through green electricity usage (solar renewable energy). Over the years, we have been working persistently towards reducing our carbon footprint and use of natural gas-based furnaces. In FY 2023, we had reduced Scope 1 Intensity by ~ 72% and Scope 2 Intensity by ~ 59% from the base year i.e., FY 2013.

We are progressively including material circularity in our product design and processes while ensuring high quality and durability. We also undertake rigorous testing of our products and provide post-sales services to increase their shelf life, thereby reducing requirements for natural resources. Being an industry leader in our business, we have a responsibility to think ahead of the curve and provide stewardship in the way we serve our customers and consumers. On the social front, we inaugurated one of biggest stores pan India which is being managed and run by 100% female staff at Bhubaneswar. Further, at our newly commissioned plant in Sri City, we are targeting to run the entire operations by 100% female workers.

Havells strongly believe reporting company's performance on environmental and social aspects is as vital as reporting on financial and operational performance. At Havells, Social and Environment responsibility has always been at the forefront of our operating philosophy. Havells has been consistently ranked in the top 10 global companies for ESG performance in the electrical sector for last four years, in addition to be featured in S&P Global Sustainability Yearbook.

From this fiscal year i.e., 2022-23, compliance with Business Responsibility & Sustainability Report (BRSR) requirements is mandatory for the top 1,000 companies. In order to provide disclosures on Havells' ESG Practices and priorities in fiscal year 2022-23, we will be reporting on key leadership indicators voluntarily in addition to mandatory essential indicators. With a commitment to set standards for our business, transactions based on mutual trust and building long-term relationships with all our associates, customers, partners, and employees, we present our 2<sup>nd</sup> BRSR for the financial year 2022-23. Havells has widened the scope of its limited assurance on key non-financial sustainability indicators to include assurance on quantitative indicators of BRSR principles in addition to GRI indicators as per ISAE 3000 (Revised).

Regards,  
**Ameet Kumar Gupta**  
Whole Time Director

## SECTION A: GENERAL DISCLOSURES

### I. DETAILS OF THE LISTED ENTITY

1. **Corporate Identity Number (CIN) of the Listed Entity** - L31900DL1983PLC016304
2. **Name of the Listed Entity** - Havells India Limited
3. **Year of incorporation** - 1983
4. **Registered office address** - 904, 9<sup>th</sup> Floor, Surya Kiran Building, KG Marg, Connaught Place, New Delhi – 110001
5. **Corporate address** - QRG Towers, 2D, Sector – 126, Expressway, Noida – 201304
6. **E-mail** - [sustainability@havells.com](mailto:sustainability@havells.com)
7. **Telephone** - 0120-3331000
8. **Website** - [www.havells.com](http://www.havells.com)
9. **Financial year for which reporting is being done** - FY 2022-23
10. **Name of the Stock Exchange(s) where shares are listed** - (a) The National Stock Exchange of India Limited (b) BSE Ltd.
11. **Paid-up Capital** - ₹ 62,65,09,738 as of 31<sup>st</sup> March 2023
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report –**  
Shri Nitin Singh –  
Telephone no.: 0120-3331000  
e-mail id: [Nitin.Singh@havells.com](mailto:Nitin.Singh@havells.com)
13. **Reporting boundary** - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) –  
The disclosures are made on Standalone basis

### II. PRODUCTS / SERVICES

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Switchgears	Switches, Domestic Switchgears, Industrial Switchgears, Capacitors, Automation and Control	12.6
2.	Cables	Power Cable and Flexible Cables	32.8
3.	Lighting and Fixture	Professional Luminaires and Consumer Luminaires	9.5
4.	Electrical Consumer Durables	Fans, Small domestic appliances and Water Heaters	19.5
5.	Lloyd Consumer	Air Conditioners, Refrigerator, Washing Machine Televisions, and other domestic appliances	20.0
6.	Others	Motors, Solar, Pump, water purifiers and Personal Grooming Products	5.6

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Cables	27320	32.8
2.	Switchgears	27103	12.6
3.	Electronic Consumer Durable	27501, 27502, 28132, 27503, 25931, 27504 & 28195	19.5
4.	Lighting and Fixtures	27400 & 43213	9.5
6.	Lloyd Consumer	28192, 27501 & 26401	20.0

### III. OPERATIONS

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of branch offices	Total
National	15	35	50
International	0	3	3

#### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	Pan India
International (No. of Countries)	70+

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Havells International Business contributes approximately 2.9 % of the Company's overall business. Our vision is to increase this contribution with accelerated growth in products including air conditioners, cables, fans and switchgears. We are presently supplying to more than 70 countries across the globe. During the past years, we have invested heavily on HR resources, products, and channels to achieve the accelerated growth in International Business and currently developing a road map to enter the developed markets including Europe, US and Australia.

##### c. A brief on types of customers

Havells India Limited is a leading Fast Moving Electrical Goods (FMEG) Company and a major power distribution equipment manufacturer with a strong global presence. Havells enjoys enviable market dominance across a wide spectrum of products, including Industrial and Domestic. The company pioneered the concept of exclusive brand showroom in the electrical industry with 'Havells Galaxy'. Today over 600 plus Havells Galaxies across the country are helping customers, both domestic and commercial, to choose from a wide variety of products for different applications.

Havells is now the most penetrated FMEG company in rural markets also, where we have gained market share across categories along with increased distribution penetration under "Rural Vistaar" initiative. We have launched over 380 exclusive stores "Havells Utsav" for reaching towns with population of less than 10,000. Over the years, we have evolved keeping pace with the changing consumer preference and multiplied our GTM into a multi-channel offering. Our channels for urban markets comprise of Dealers, Distributors, E-commerce, Brand Shops, Modern Format Retail, CSD/ CPC canteens, and Projects.

### IV. EMPLOYEES

#### 18. Details as at the end of Financial Year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	6,090	5,820	95.57%	270	4.43%
2.	Other than Permanent (E)	7,224	6,530	90.39%	694	9.61%
3.	Total employees (D + E)	13,314	12,350	92.76%	964	7.24%
<b>WORKERS</b>						
4.	Permanent (F)	443	409	92.33%	34	7.67%
5.	Other than Permanent (G)	17,101	16,002	93.57%	1,099	6.43%
6.	Total workers (F + G)	17,544	16,411	93.54%	1,133	6.46%

Note:- The figure of permanent employee (6,090) does not include 6 directors and 283 apprentices.

b. Differently abled Employees and workers:

We have 11 differently abled male employees accounting for 0.17% of employee strength and 2 differently abled male in contractual workforce.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFRENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	6	6	100%	0	0%
2.	Other than Permanent (E)	0	0	0	0	0%
3.	Total employees (D + E)	6	6	100%	0	0%
<b>WORKERS</b>						
4.	Permanent (F)	5	5	100%	0	0%
5.	Other than Permanent (G)	2	2	100%	0	0%
6.	Total workers (F + G)	7	7	100%	0	0%

19. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	14	1	7%
Key Management Personnel*	1	0	0%

\*Excluding BOD

20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

In FY 2023, a lot of initiatives have been taken on talent retention and engagement at the company level. For retention of existing talent under managerial level, we have introduced a Talent Mapping exercise and identified employees who can be given larger roles in future to create career paths. We have launched a career development center "Pragati" for our frontline salespeople to become first level Managers and a management development program called "Unnati", for our first level sales managers. 360-degree survey has been launched for senior leaders.

We have a very robust program of engaging with campuses for our future young talent requirements. In line with the organizational growth aspirations and to ensure that our people are constantly in a state of future readiness, though we have developed an L&D strategy, to address the learning needs at every level of the organizational hierarchy. All of these has helped us to decrease our attrition rates as compared to last year. Some of initiatives are delivered through instructor lead training and others through online portal using our LMS platform - Saksham. For the fourth year in succession, we have been recognized as "Great Place to Work" in India and our scores have consistently improved over the years, which has led to, Havells India Limited being recognized as India's Best Workplaces™, among Top 50 large organizations. This recognition identifies us as having successfully inspired our employees to innovate, by fostering a culture that encourages and empowers them to try new and better ways of doing things. Please find the trend for last 3 years below:

Particulars	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.67%	1.20%	17.87%	15.73%	0.92%	16.65%	9.41%	0.64%	10.05%
Permanent Workers	3.16%	0.67%	3.83%	3.99%	0.22%	4.05%	5.99%	0.31%	6.31%

Note:- In calculation of attrition rate for permanent employee, total permanent employee (6,090) numbers does not include 6 directors and 283 apprentices.

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURE)

21. (a) Names of holding / subsidiary / associate companies / joint ventures

No material subsidiary is present.

VI. CSR DETAILS

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No): Yes  
(ii) Turnover (in ₹): ₹ 16,868 crores  
(iii) Net Worth (in ₹): ₹ 6,614 crores

## VII. TRANSPARENCY AND DISCLOSURE COMPLIANCES

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2023			FY 2022		
		(If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year
Communities	YES	-	-		-	-	
Investors (other than shareholders)	YES	-	-		-	-	
Shareholders	YES	3	0	Source: Stakeholder Relationship Committee	2	0	
Employees and workers	YES	10	0	Concerns and suggestions received through various formal and informal modes	16	0	
Customers*	YES	7,701	0	Concerns and suggestions received on social media, Consumer email id and central feedback number	6,741	0	Concerns and suggestions received on social media, Consumer email id and central feedback number
Value Chain Partners	YES	2	0		8	0	
Other (please specify)	-						

\* Number includes only grievances / escalations.

Customer Service and satisfaction are the focus areas of Havells, and we truly believe in providing best service to our customers. We aim at minimizing instances of customer complaints and grievances through proper service delivery and review mechanism and to ensure prompt redressal of customer complaints and grievances. Havells has established a structured grievances redressal mechanism. We are committed to encouraging openness, promote transparency and to report improvements without fear of rebuttal. Havells follows 'Zero Tolerance' Policies w.r.t non-compliance and committed to creating a culture that encourages high standards of ethics and upholds decent and safe working conditions for all workforces. There is a defined mechanism to protect our intellectual property such as trademarks, logos, patents and design of our products by registering under relevant acts. We also have a process of reporting the whistle blower complaints under "Satark" to the Board on an annual basis and to our external auditors on a quarterly basis. Please refer page no. 136 of the IAR for detailed information on grievance redressal.

### 24. Overview of the entity's material responsible business conduct issues.

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format.

Please refer to the materiality page and risk management page in IAR (page no. 28 & 67)

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
c. Web Link of the Policies, if available	<a href="https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html">https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trusted) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Organization wide the below ISO certification has been taken up ISO 9001, ISO 14001, ISO 50001, ISO 45001, ISO 27001. We are BIS compliant.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Please refer to IAR, page no. 26								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not Applicable								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) - Please refer to IAR Chairman Message, page no. 10									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Shri Ameet Kumar Gupta Designation: Whole Time Director DIN: 00002838								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes Name: Shri Ameet Kumar Gupta Designation: Whole Time Director DIN: 00002838								
10. Details of Review of NGRBCs by the Company:									
<b>Subject for Review</b>	<b>Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee</b>								
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
Performance against above policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y
	<b>Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)</b>								
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y
	On periodic basis the ESG performance of the company is reported to the executive committee of Board and follow up actions are mapped out								
	Compliance report across all statutory requirement is submitted to the Directors on monthly basis and to audit committee on quarterly basis. In addition, Control Manager tool is used to track and enforce 100% compliance								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.									
	<b>P1</b>	<b>P2</b>	<b>P3</b>	<b>P4</b>	<b>P5</b>	<b>P6</b>	<b>P7</b>	<b>P8</b>	<b>P9</b>
	Y	Y	Y	Y	Y	Y	NA	Y	Y

12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated: Not applicable

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	Percentage of persons in respective category covered by the awareness Programs
Board of Directors	6	Familiarization programs are carried out by way of exhaustive presentations on various topics/ areas such as Enterprise Risk Management, Cybersecurity and Information Security, Brands and Marketing Strategy etc.	100 %
Key Managerial Personnel	6		100%
Employees other than BoD and KMPs	1	All employees are required to undergo and sign off the Code of Conduct, Anti-Corruption and Anti-Bribery Policy, Idea (Innovative thinking and creativity in the group / for any suggestions), Satark (for Right Doing under Vigil Mechanism) and Nirbhaya training (under POSH)	100%
Workers	1	Workers are required to undergo training on the Safety and Code of Conduct	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

There were no material fines/ penalties/punishment/ award/compounding fees/ settlement amount of material paid in proceedings by the directors/ KMPs to regulators/ law enforcement agencies/ judicial institutions during FY 2023.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, Havells has policy for anti-corruption or anti-bribery policy. Please refer to link: <https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html>. Havells India Limited does not tolerate corruption or bribery in any form and expects its employees to fully comply with requirements of all applicable anti-corruption laws, Havells' Code of Conduct and that of this Policy. We expect strict adherence to ethical and transparent actions from all our employees and have zero tolerance to violations. The employees are forbidden to accept donations, discounts, favors, or services from an existing or potential client, competitor, supplier, or service provider. In addition, every employee has to provide an annual declaration of adherence to the policies.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

No disciplinary action was taken against any Directors/KMPs/employees/workers by any law enforcement agency for charges of bribery/ corruption.

6. Details of complaints with regard to conflict of interest:

No complaints received in relation to issues of Conflict of Interest of the Directors in FY 2023.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

There were no cases of corruptions or conflicts of interest which required action by regulators/ law enforcement agencies/ judicial institutions.

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total Number of awareness programmes held	Topics/Principle covered under the training	% of value chain partner covered (by value of business done with such partners) under the awareness programs
Multiple training/Awareness sessions carried out during the year	P1, P2, P3, P4, P5, P6, P7, P8, P9	100% of upstream, downstream value chain partners and employees have been covered.

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The company has various codes and policies in order to avoid/manage conflicts of interest, involving members of the Board. Havells obtains a mandatory declaration from its Board members. The declaration ensures that the members of the Board are in compliance with the Code of Ethics and the same is applicable to all the Directors, Senior Management and all employees of the entire Havells Group. It helps in maintaining and following the standards of business conduct of the Company. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company. Refer to this link: <https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html>.



## PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Havells India has a systematic approach w.r.t product stewardship and our R & D team is dedicated to design and develop product to safeguard environment by improving energy efficiency, reducing water uses, minimizing waste generation, adopting Lean manufacturing with reduced material use apart from continuous quality improvement, durability, and performance of our products. Havells India has a focused approach with respect to usage of clean tech in process and product stewardship in design phase. Key focus areas of our R&D are energy efficiency, quality, durability and usage of sustainable material in our products. In FY 2023, R&D Expenditure was INR148.09 Cr and Capital Expenditure was INR 15.09 Cr .Out of Total INR 163.18 Cr expenditure approximately 41% of our R&D expenditure was invested in improving the environmental and social impacts of our products and processes. This is in addition to the capex investment to improve our technology and build capacity for Innovation.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

If yes, what percentage of inputs were sourced sustainably?

Yes, Havells India Limited is committed to have sustainable supply chain on social, ethical and environment aspects and established sustainable practices for our suppliers. This year, we organized a strategic partners meet "MANTHAN" where ESG guidelines and expectations were shared with all strategic suppliers. We have established a procedure to follow Sourcing agreement and Vendor Code of conduct, in addition to contractual ESG obligations to encourage vendors to adhere to ESG guidelines. A stringent process is put in place to evaluate all new suppliers on ESG parameters such as Statutory and Regulatory compliances under Environment, Energy, Waste Management, Health and Safety working conditions etc. 80% of our sourcing was through sustainable sourcing in FY 2023 which will be continuing to improve further.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a part of the e-waste recycling and plastic waste management collection programme, Havells has partnered with government authorized recyclers. We have a detailed MOU signed for both e-waste and plastic waste management with the identified treatment value-chain player. Havells provides e-waste drop-off centers and ensures environmentally safe management of electronics that have reached their end-of-life or otherwise and defective spare parts. All the necessary and legal authorizations required for the processing facilities have been taken and approved by concerned governmental agencies. The recycling and disposal of e-waste help us to ensure the protection of the environment from hazardous consequences.

We urge our channel partners/consumers/bulk consumers to contribute towards the preservation of environment by the simple action of properly disposing of their old consumer durable products, its accessories or defective spares. We have implemented multiple avenues for customer to reach us for end-of-life disposal such as a dedicated customer care number (1800 1020 666) or website visit or mail at ewaste@havells.com. After receipt of end-of-life products at our collection center, we channelize it to e-waste recyclers authorized by Central Pollution Control Board / State Pollution Control Board for further processing.

In FY 2023, we reclaimed 5,187 MT of e-waste and 3,617 MT of plastic packaging waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, we have submitted Extended Producer Responsibility plan as per government norms and the same is available in the public domain. During FY 2023, we had completed 100% EPR Target of plastic waste through collection and sustainable disposal of 3,617 MT plastic waste in pan India. Under our E Waste EPR obligations, we have completed 100% Target through collection and recycling of 5,187 MT e-waste.

### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/ Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)?

We are planning to conduct Life Cycle Assessments (LCA) of its key high revenue contributing products in FY 23-24.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same

Target action plan will be defined basis LCA assessment to be carried out (as mentioned in Q1)

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

#### Recycled or reused input material to total material

Current FY	Previous FY
2.46 % Recycled Paper Used	2.19% Recycled paper Used
10% Thermoset Recycled Plastic Used	4% Thermoset Recycled Plastic Used

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed

Particulars	FY 2023			FY 2022		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	3,617 MT	-	-	3,087 MT	-
E-Waste	-	5,187 MT	-	-	902 MT	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Please refer to responses to Question 3 and 4 above

## PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains.

### Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	5,820	5,472	94.02%	5,820	100%	-	-	5,820	100%	5,820	100%
Female	270	230	85.19%	270	100%	270	100%	-	-	270	100%
<b>Total</b>	<b>6,090</b>	<b>5,702</b>	<b>93.63%</b>	<b>6,090</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,090</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	6,530	1,923	29.44%	6,530	100%	-	-	-	-	-	-
Female	694	107	15.41%	694	100%	694	100%	-	-	-	-
<b>Total</b>	<b>7,224</b>	<b>2,030</b>	<b>28.10%</b>	<b>7,224</b>	<b>100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	409	81	19.80%	-	-	-	-	-	-	409	100%
Female	34	1	2.94%	-	-	34	100%	-	-	34	100%
<b>Total</b>	<b>443</b>	<b>82</b>	<b>18.51%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	16,002	-	-	-	-	-	-	-	-	16,002	100%
Female	1,099	-	-	-	-	1,099	100%	-	-	1,099	100%
<b>Total</b>	<b>17,101</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,101</b>	<b>100%</b>

## 2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	7.27%	Y	100%	8%	Y
Gratuity	100%	7.37%	N	100%	8%	N
ESI	2.67%	4.45%	Y	2%	6%	Y
Others – please Specify- NPS	4.15%	-	N	5%	-	N
LTRI	2.38%	-	N	3.23%	-	N
ESOP 2014	1.97%	-	Y	1.66%	-	Y
ESOP 2016	0.57%	-	N	0.40%	-	N

Most of the workers are covered under ESI. Those who are out of ESI, have medical insurance policy voluntarily.

## 3. Accessibility of workplaces are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the premises and offices of Havells are designed with keeping in mind to accessibility of differently abled employees. Ramps for easy movement and separate washrooms designed for differently abled people have been created in offices to improve usability and access.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Havells is committed to ensuring that existing employees, job applicants and workers are treated fairly in an environment which is free from any form of discrimination. Havells India has established a policy to ensure non-discrimination on the basis of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (includes color, nationality and ethnic origins), religion and or belief, sexual orientation, handicapped and on the basis of any illness. We are an equal opportunity workplace with gender neutral compensation policies and norms. Our diversity and equal opportunity policy can be assessed at <https://havells.com/en/discover-havells/investor-relation/codes-and-policies.html>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	The paternity leave at present does not cover the male workers	
Female	0%	100%	None of the female workers availed maternity benefit	
Total	-	-	-	-

We believe in instilling work-life balance in our work environment. In FY 2023, 180 male employees and 8 female employee availed paternity leave and maternity leaves, respectively. In case of female employees, all 8 employees are eligible to return in FY 2023-24.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes (details of the mechanism in brief)
Permanent Workers	Yes, we have an established system of grievances redressal mechanism in place.
Other than Permanent Workers	A grievance redressal policy has been established and published on our website to encourage openness, promote transparency and to encourage improvements without fear of rebuttal.
Permanent Employees	We have multiple lines of communication open for employees and workers to discuss their concerns. A suggestion box / drop box without camera surveillance is available at all locations, alternately email can also be shared at dedicated email id established for this purpose.
Other than Permanent Employees	The policy applies to all directors, employees, partners, customers, vendors, contractors, contractors' employees, clients, internal or external auditors or other third parties or anybody engaged through any other service mode with Havells India Limited, across all divisions and locations in India and overseas.  Any of the above-mentioned individuals or entities could make a protected disclosure. In case the complaint received is of the nature and kind for which a separate redressal committee/ forum is available, the same would be dealt with in terms of the concerned committee/ forum, as the case may be.

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

The company does not have any trade unions. However, we recognize the right to freedom of association and collective bargaining.

8. Details of training given to employees and workers

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (X)	On Health and safety measures		On Skill Upgradation	
		No.	% (B / A)	No.	% (C / A)		No.	% (Y / X)	No.	% (Z / X)
		(B)	(A)	(C)	(A)		(Y)	(X)	(Z)	(X)
<b>Employees</b>										
Male	5,754	3,855	67.0%	5,754	100.0%	5,131	5,131	100.0%	5,131	100.0%
Female	262	201	77.0%	262	100.0%	222	222	100.0%	222	100.0%
<b>Total</b>	<b>6,016</b>	<b>4,056</b>	<b>67.5%</b>	<b>6,016</b>	<b>100.0%</b>	<b>5,353</b>	<b>5,353</b>	<b>100.0%</b>	<b>5,353</b>	<b>100.0%</b>
<b>Workers</b>										
Male	413	413	100%	413	100%	418	418	100%	418	100%
Female	24	24	100%	24	100%	24	24	100%	24	100%
<b>Total</b>	<b>437</b>	<b>437</b>	<b>100%</b>	<b>437</b>	<b>100%</b>	<b>442</b>	<b>442</b>	<b>100%</b>	<b>442</b>	<b>100%</b>

Note: For more details on our training programs and human capital development initiative, please refer to Human capital section in IAR page no. 42

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	5,820	5,035	86.65%	5,131	4,428	86.29%
Female	270	208	77.03%	222	191	86.03%
<b>Total</b>	<b>6,090</b>	<b>5,243</b>	<b>86.09%</b>	<b>5,353</b>	<b>4,619</b>	<b>86.28%</b>
<b>Workers</b>						
Male	409	402	98.28%	418	418	100%
Female	34	21	61.76%	24	24	100%
<b>Total</b>	<b>443</b>	<b>423</b>	<b>95.48%</b>	<b>442</b>	<b>442</b>	<b>100%</b>

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes. The Company has implemented ISO 45001 for the health and well-being of its employees. Various awareness sessions/trainings are conducted on safety related aspects for the employees. Training related to Hazard Identification and Risk Assessment (HIRA) and Total Productive Maintenance are also provided. Back to basics initiatives with respect to the coverage of safety parameters have been initiated to maintain safe workplace culture. Fire and Electrical Safety audit has been conducted in our manufacturing units by Independent Third-Party Agencies. Scheduled Medical Examinations has been conducted for workers engaged in Hazardous work activities. Monthly Safety Review has been facilitated by HO and Chaired by Manufacturing Site Head/Plant Head on rotation basis and learning has been implemented across all units to avoid the reoccurrence of any incidents. The Company is focused on both, the physical and mental well-being of its employees and has organized various programs and discussions with well-being experts and medical practitioners.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity? Please refer to IAR section for detailed description.

To identify work-related hazards and evaluate risks on a routine and non-routine basis, Havells has implemented following measures / initiatives:

- Gemba walk
- Hazard identification and Risk assessment with Shop floor people
- Internal and External audit
- Why-why analysis
- Work permit system
- Near miss reporting system
- Work zone monitoring, analysis of Noise assessment

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company has processes for workers to report the work-related hazards and to remove themselves from such risks.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. There is nothing more important than the health and well-being of our employees. We want to ensure our workplace is the healthiest, happiest selves where everyone feels supported. We have created an ecosystem of healthcare providers across India for providing quality, 24\*7 healthcare services to our employees and their dependents. The arrangement with the empanelled hospitals is to cover OPD, Health check-up, Hospitalization services at discounted rates. All our empanelled hospitals have agreed to provide a SPOC for each hospital to provide priority services and to address any query in case of any hospitalization. To promote health and wellbeing of our workers and employees, we provide access to various wellness workshops in addition to medical check -up which is rolled out on all plant locations (including HO). The wellness program "referred as Wellness Wednesday" is focused on making healthier, balanced, and purposeful life. We have developed a structured, strategic wellness approach with our empanelled hospitals and partners who have agreed to provide wellness services such as Gynaecology, Cardiology, Orthopaedics, Gastroenterology etc

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.684	0.328
	Workers	0.109	0.219
Total recordable work-related injuries	Employees	2	1
	Workers	4	7
No. of fatalities	Employees	0	0
	Workers	1	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Yes, we have numerous measures in place to establish a safe workplace and culture. Please refer to our IAR page no. 42 for more details

13. Number of Complaints on the following made by employees and workers:

Benefits	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions			Please refer to our IAR page no. 42			
Health and Safety						

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the plants were assessed by company and 3 <sup>rd</sup> party Internal auditors
Working Conditions	100% of the plants were assessed by company and 3 <sup>rd</sup> party Internal auditors

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

- We have Safety Command centers established at each plant to track and raise awareness on safety culture.
- Root Cause Analysis (RCA) are conducted for all the safety related incidences and suitable corrective actions are taken. Safety Inspections and Safety Audits are also being done periodically. Corrective actions are being taken for all the observations given by the auditors (internal as well as external).
- Safety Reviews conducted by rotation by Site Heads and Plant Heads in once a month. Key learning points shared by site implemented horizontally. In addition, PPE Matrix revised, and plant-wise PPE training modules has been deployed. A system of Safety challans and Surprise checks are used to strengthen the culture of safety.
- Increased the number of targeted safety placards and poster and signboards, placed at strategic places for raising awareness as well as to reinforce that safety is everyone's responsibility.

Please refer to our IAR page no. 42

### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes. Havells believes health as most integral part of life. Having good health is directly related to a productive workforce. There is nothing more important than the health and well-being of employees and their families. We ensure all our permanent employees, and their declared dependents are covered in medical health Insurance, Accident Insurance and Group Term Life Insurance from day 1 of their joining Havells family.

In order to educate and support our employees to keep themselves fit, we have engaged with reputed doctors in various medicine areas and arrange for their visit and free consultation in Head Office under 'Live Healthy' program. We have tie ups with various renowned hospitals and health labs in the country on tests, treatment, and health checks for our employees. Our employees can avail discount on Annual Health Check by way of their medical insurance card.

During the recent unfortunate pandemic time, Havells ensured that all Covid protocols are adhered at all our locations. We not just organized free vaccination camps for our employees and their families but also made 'Oxygen concentrators' available at our most location offices in order to support our employees and their families.

In the untimely demise of our employee, we extended following support to immediate family –

- Medclaim benefits to continue for Dependent Family for 5 years from the year of demise of the employee.
- Education Fee Reimbursement on actual basis or up to ₹ 1 Lac per year per child (max 2 child), till his/her graduation or 5 years, whichever is earlier.

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

All the Havells' value chain partners come under PF act and ESI act which makes them liable to deduct and deposit statutory dues. In addition to this, the service contract between Havells and service provider also contains clause under 'payment terms' for necessary statutory payments like PF, ESI etc. by service provider.

**3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total Number of affected Employee/Worker		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023	FY 2022	FY 2023	FY 2022
Employees	0	0	0	0
Workers	1	0	0	0

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes, Havells provides transition assistance to facilitate continued employability and the management of career endings resulting from retirement or termination viz. we provide tax and investment guidance to the separating employees.

**5. Details on assessment of value chain partners:**

% of value chain partner (by value of business done with such partners) that were assessed	
Health and safety practices	100%
Working Conditions	100 %

**6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

The company has adopted a structured approach towards adopting a proactive safety program and establishing a strong safety culture in the company. Some of progressive actions are as follows: -

- Management Safety Review Team constituted: Site Heads/ Plant Heads/ Factory Safety Officers/ Factory HR Heads/ Engineering team members. Guidance received from Director on a regular basis.
- Safety metrics finalized for review along with definition through Site Heads. 5 lagging indicators: Lost time incident, Reportable Accident, Lost Time Incident Rate, No Lost Time Injury and Fire Incident. 2 leading indicators of Near Miss and Unsafe Acts and Unsafe Conditions.
- Review template has been finalized and once a month review held since December 2021. Reviews conducted by rotation by Site Heads and Plant Heads
- "One Point Lesson" accident investigation format introduced. Horizontal deployment being implemented on all lessons.
- PPE Matrix revised, and plant-wise PPE training modules prepared. Training programmes are on. Safety challans being introduced. Surprise checks being conducted by shop floor supervisors.
- Approval matrix being changed in the Compliance Manager to regularize the approval authority following the change in the reporting of the safety function from the HR function to the Plant Heads.
- Central repository of resources on Safety placed on Share Point which is accessible across the network.
- Inter-plant safety assessment exercise by the Factory Safety Officers initiated.
- 3 months (May – July 2022) observed as Safety Kaizen months.
- Learning Safety Training programmes through Tata Steel Digishala

## **PRINCIPLE 4**

**Businesses should respect the interests of and be responsive to all its stakeholders.**

### **Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

We have based our stakeholder identification process on the fundamentals of inclusivity, materiality, and responsiveness. Our stakeholder groups are those which are directly or indirectly impacted by the Havells. It also includes stakeholders identified to which Havells has a legal, financial or moral responsibilities. In addition, we have evaluated from the perspective of a stakeholder having an influence or impact on Havells strategy and decision making as well. All this stems from our belief of building mutual trust-based relationship with our stakeholders and understanding their priorities in creating shared value for all.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Please refer to the stakeholder engagement page 22 and risk management page 16 in IAR.

### **Leadership Indicator**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The strong foundation of governance with ethics, integrity, transparency help us steer our way forward. Havells Board of Directors committees are charged with monitoring and reviewing the company's Sustainability strategy and Climate Action Plan. The organization's governance around the material ESG aspects including climate-related risks and opportunities is disbursed through two Board level committees that evaluate and provide oversight on ESG related matters and risk exposures including climate-related aspects i.e. CSR and ESG Committee / Risk Management Committee. Havells India has reconstituted its CSR committee to address the broader agenda of ESG along with its CSR responsibility. The CSR and ESG Committee will support Havells India Ltd. commitment to sustainable, inclusive progress that enhances HIL's core value proposition by mainstreaming ESG considerations into decision making of the Company. The role of the Enterprises Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/strategies aimed at risk minimization and risk mitigation as part of risk management.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

As per stakeholder section of essential indicator 2 in this principle are systematically engaged by various functions of the Company. Our sustainability model focuses on stakeholder value creation through identification of the Havells' material topics, developed in consultation with the stakeholders. With the intention of aligning long-term thinking and goal orientation - Environmental, Social, Governance (ESG) related KPIs have been identified for the process of inclusion of ESG metrics in performance linked compensation measurement of senior management.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.

Havells CSR ethos are motivated by the belief that small steps lead to meaningful change in people's lives "Chhote Kadam Badi Soch". This belief has led to targeted efforts by the organization for the communities revolving around six strong pillars of Health and Nutrition, Education, Skill and Development, Sanitation, Environment, Heritage Conservation and other humanitarian causes. These pillars not only move hand in hand with the ones envisioned by the government but are also aligned to United Nations Sustainable Development Goals. Havells has been transforming communities across India through their Corporate Citizenship initiatives. Now, communities and poor children have access to hunger and nutrition, healthcare, sanitation, quality education and livelihood.



**PRINCIPLE 5**

Businesses should respect and promote human rights.

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	6,090	6,090	100 %	5,355	5,355	100 %
Other than permanent	7,224	7,224	100 %	5,182	5,182	100 %
<b>Total</b>	<b>13,314</b>	<b>13,314</b>	<b>100 %</b>	<b>10,537</b>	<b>10,537</b>	<b>100 %</b>
<b>Workers</b>						
Permanent	443	443	100 %	442	442	100 %
Other than permanent	17,101	17,101	100 %	13,946	13,946	100 %
<b>Total</b>	<b>17,544</b>	<b>17,544</b>	<b>100 %</b>	<b>14,388</b>	<b>14,388</b>	<b>100 %</b>

Note: For company policy related program, only HR related policies are considered here

Havells India Limited has established a Code of Conduct (COC) and Human rights policy to uphold human rights and right to proper working conditions. Awareness session on the same is conducted on regular basis such as in induction training, annual declaration to COC and other discussion platform. In addition, special classroom training on Human rights is imparted to all security staff to ensure adherence to human rights even in high pressure situations. The training and policy are also applicable to third party security guards working on our premises. In FY 2022 – 427 security guards were trained on human rights.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023									
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	5,820	0	0	5,820	100%	5,131	0	0	5,131	100%
Female	270	0	0	270	100%	222	0	0	222	100%
<b>Total</b>	<b>6,090</b>	<b>0</b>	<b>0</b>	<b>6,090</b>	<b>100%</b>	<b>5,353</b>	<b>0</b>	<b>0</b>	<b>5,353</b>	<b>100%</b>
<b>Workers</b>										
Permanent	443	0	0	443	100%	442	0	0	442	100%
Male	409	0	0	409	100%	418	0	0	418	100%
Female	34	0	0	34	100%	24	0	0	24	100%
<b>Total</b>	<b>443</b>	<b>0</b>	<b>0</b>	<b>443</b>	<b>100 %</b>	<b>442</b>	<b>0</b>	<b>0</b>	<b>442</b>	<b>100%</b>

On-roll workers and contractual workers are paid in compliance with the minimum wage act. We have implemented programs where in recognition of good efforts, workers are paid additional through special component and benefits. Our employees are paid as per industry standards and do not fall in the hourly wages category.

3. Details of remuneration/salary/wages, in the following format

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category *	Number	Median remuneration/ salary/ wages of respective category*
Board of Directors (BoD)	13 <sup>#</sup>	₹ 4,50,50000/-	1 <sup>^</sup>	-
Key Managerial Personnel	1	₹ 92,06,112/-	0	-
Employees other than BoD and KMP	5,819	₹ 10,42,800/-	270	₹ 8,56,734/-
Workers	409	₹ 2,71,680/-	34	₹ 2,26,728/-

\* Annual Median Fixed Salary

<sup>^</sup> We have only one female independent director, who is paid sitting fee and annual commission. Please refer corporate governance report for details

<sup>#</sup> We have 4 executive directors who are paid compensation, rest are independent directors who only receive sitting fee and annual commission.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the management committee over sees the HR function covering the afore mentioned aspects.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues. -

Havells is committed to prevent any human rights violation and ensures the compliance of the Policy through a mechanism implemented by the HR Department and regularly monitored by Internal committee. The HR departments at plants and the HO conducts a regular human rights risk assessment. All stakeholders also have a secure and 24x7 access to raise grievances and to report anonymously any breach with respect to the Human Rights Policy through the Vigilance and the mechanism of 'Satark' which provides anonymity.

6. Number of Complaints on the following made by employees and workers:

Complaint Type	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment		NIL			NIL	
Discrimination at workplace		NIL			NIL	
Child Labour		NIL			NIL	
Forced Labour/Involuntary Labour		NIL			NIL	
Wages		NIL			NIL	
Other human rights related issues		NIL			NIL	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Havells is committed to developing an organizational culture which implements a policy of support for the internationally recognized human rights contained within the Universal Declaration of Human Rights and seeks to avoid complicity in human rights abuses. Our Whistle blower policy has clearly laid down the guidelines to prevent adverse consequence to a complainant. A complainant has the right to complete anonymity unless required by law enforcement agencies.

The organization prohibits retaliation against a complainant such as threats of physical harm, loss of job, punitive work assignments, or impact on salary or wages. A complainant who believes that they have been retaliated against; may file a written compliant with the chairman of the Audit committee.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, we are committed to developing an organizational culture that upholds universally recognized human rights. We also enforce social well-being and human rights culture through contractual obligations and supplier code of conduct. Our company directive on human rights is diligently followed and relevant awareness sessions are conducted at regular frequency. All our manufacturing sites undergo human rights assessment at regular frequency with different function heads held responsible for different aspects of human rights.

9. Assessments for the year:

	<b>% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100 % of our plant sites were assessed by the company
Forced/involuntary labour	100 % of our plant sites were assessed by the company
Sexual harassment	100 % of our plant sites were assessed by the company
Discrimination at workplace Wages	100 % of our plant sites were assessed by the company
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

One of the key action point that arose as a part of the assessment was lack of awareness about the law among the workers and contractors and subcontractors . As a part of this, in FY 2023, we intend to roll out increased awareness session for contractual workers and suppliers on relevant topics.

### Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

Havells is committed to prevent any human rights violation and ensures the compliance of the Policy through a mechanism implemented by the HR Department and regularly monitored by Audit committee (at the board level). The HR departments at plants and the HO conducts a regular human rights risk assessment and generates a monthly report and shares it with the Audit Committee on a half yearly basis. All stakeholders also have a secure and 24x7 access to raise grievances and to report anonymously any breach with respect to the Human Rights Policy through the Vigilance and the mechanism of 'Satark' which provides anonymity. Refer to our Human Rights Policy: [https://www.havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes\\_Policies/Human\\_Rights\\_Policy.pdf](https://www.havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/Human_Rights_Policy.pdf)

2. Details of the scope and coverage of any Human rights due-diligence conducted.

100% scope and coverage has been conducted for all value chain partners.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises and offices of Havells are designed with keeping in mind to accessibility of differently abled visitors. Ramps for easy movement and separate washrooms, separate Vehicle Parking space designed for differently abled people have been created in all our offices to improve usability and access.

4. Details on assessment of value chain partners: -

Sexual Harassment	100%
Discrimination at workplace	100%
Child Labour	100%
Forced Labour/Involuntary Labour	100%
Wages	100%
Others – please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NIL

## PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

As a growing company we are very conscious of our carbon footprint and strongly believe in responsible growth which is reflected in our specific CO<sub>2</sub> intensity metric. During F.Y. 2023 our revenue grew by 21.5 % however, due to our energy management programs, our energy usage has only grown by 12.8 %. Our diligent planning in resource optimization has led to an 8 % reduction in our energy intensity from 35.83 GJ per crore to 33.29 GJ per crore.

Parameter	FY 2023	FY 2022
Total electricity consumption (A) in GJ	4,09,566	3,64,101
Total fuel consumption (B) in GJ	1,51,971	1,33,609
Energy consumption through other sources (C)	Not applicable	Not applicable
Total energy consumption (A+B+C)	5,61,538	4,97,710
Energy intensity per rupee of turnover GJ per Crore ₹ (Total energy consumption/turnover in rupees)	33.29	35.83

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, we don't fall under PAT scheme of Government of India.

3. Provide details of the following disclosures related to water, in the following format:

Environment conservation through resource management is not just a business practice but also something that drives us to challenge ourselves every day to deliver our value with increased efficiency and quality across every aspect of manufacturing. In spite of the fact that we are not water intensive industry and we do ground aquifer recharge of approximately twice our water withdrawal, we are aware that India is a water stressed region. So, we place high importance on water balance and responsible use of water as illustrated by our specific water consumption metric.

Our water intensity has been slightly increased due to increased consumption in domestic usages.

Please find below the trend for the last two years

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	1,55,059	89,273
(iii) Third party water	40,981	34,115
(iv) Seawater / desalinated water	0	0
(v) Others – Municipal Supply	15,449	24,364
<b>Total volume of freshwater consumption (in kilolitres) (i + ii + iii + iv + v)</b>	<b>2,11,488</b>	<b>1,47,752</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>2,97,856</b>	<b>2,17,077</b>
Water intensity in KL per Crore turnover (Water consumed / turnover)	17.66	15.63

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes an independent assurance has been carried out by KPMG.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

At present we don't have Zero Liquid Discharge mechanism however all our facilities, except Faridabad, use 100% of the treated water from STP and ETP within premises for horticulture and flushing of toilet. Our Faridabad unit is the only one which discharges treated water (after maintaining the minimum discharge standards) into municipal sewage line with consent from the concerned authorities during the reporting period. We follow all the necessary applicable guidelines and directions on maintaining the standards of STP and ETP required by CPCB and SPCBs.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Our NOx and SOx emission are predominantly generated from our fossil fuel consumption especially diesel in manufacturing process and genset. While our emission is inherently of small quantum and well within permissible limits, we are still keen to improve our performance. Towards this, we are exploring by replacing diesel genset with other cleaner fuels gensets, install additional filtration systems at our stack emission outlets to capture emissions or replacing diesel with PNG where there is steady PNG infrastructure installed by government.

Another approach adopted by us is moving to a stable electricity connect with minimum power cuts and load shedding so that Genset are not used often.

Parameter	Please specify unit	FY 2023	FY2022
NOx	Metric Tons	6.29	5.56
SOx	Metric Tons	0.27	0.22
Particulate matter (PM)	We undertake third party lab testing for each of these air emission parameters including NOx and SOx on as defined schedule at all our 7 plant locations to ensure the parameters are within permissible limits.		
Persistent organic pollutants (POP)	This is done in addition to our internal monitoring systems. We also submit the reports to the concern authority and pollution board.		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please Specify			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Combating Climate Change is a top priority for Havells India Ltd. As a growing company in emerging market, while our absolute emission has risen by 12 % our specific emission intensity has reduced by 7%. In our total GHG Emission mix, 90% of our emission stems from our scope 2 emission which is reliance on the grid electricity. In the forth coming years, we are looking to use open access and long-term power purchase agreements to increase our renewable energy mix leading to substantial reductions in our absolute emissions.

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	9,861	8,599
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	83,684	74,211
Total Scope 1 and Scope 2 emissions	Metric tons of CO2 equivalent	93,545	82,810
Total Scope 1 and Scope 2 emission intensity per crore rupee of turnover	Metric tons of CO2 equivalent/Cr.	5.55	5.96

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

We have taken up a 4-pronged approach to reduce Green House Gas emission.

1. Renewable Energy in our Energy mix – Our renewable energy installed capacity is 9 MW. We mitigated 7,331 tCO<sub>2</sub> through green electricity usage in FY2023.
2. Implementation of Energy Conservation measures - We undertook 42 initiatives of electricity reduction leading to a mitigation of 1,711 tCO<sub>2</sub> and reduced energy of 21,38,949 KWh.
3. We are switching to cleaner fuels for better efficiency such as switching to Natural Gas, Biogas or renewable electricity supply where feasible.
4. We are continuously improving our products for better energy efficiency in usage and reduced energy consumption.

Category	Key Energy Efficiency features
Fans	<ol style="list-style-type: none"> <li>1. Launched 9 New models in FY 2023 under ceiling fan category with BLDC motor technology to save approx. 50% power consumption per fan.</li> <li>2. Mandatory star rated for ceiling fan started from 1<sup>st</sup> Jan 23. Till date we have 137 models approved (87%) out of 158 models for applicable sweep size in Star rating for HAVELLS, STANDARD and REO BRAND.</li> <li>3. Energy saving though 5 star is approx.3 Megawatt (Volume is appx.2.16 lakh).and through rest of the star rating is approx. 19 Megawatt (Volume is appx.7.5 lakh)</li> <li>4. Two New fans with BLDC technology launched. 1 wall and 1 pedestal under TPW category.</li> <li>5. Manufacturing steps has been reduced by optimizing number of stator SKU from 22 SKU to 10 SKU.</li> <li>6. Power consumption reduction during testing of fan after conversion of fans to star rating, approx. saving of power consumption per fan is 25 W. Electricity saving 50KW per annum.</li> </ol>
Motor and Pump	16,58,000 KWH/ annum energy saving by efficiency improvement and low power consumption in V3~V4~V6 bore well submersible, Open well 1.5HP, Mini monoblock pumps.
Air-condition	All products are energy star rated as per BEE regulation (3-star, 4 star and 5 star rated products).
Refrigerators	BEE star rating, Air deflector technology for energy and power saving, (3 start fixed speed, new 4star model developed and it will save 20% energy w.r.t existing model. BEE certificates done
LED TV	Enhanced energy efficiency in the product - 100% HD and Full HD LED TV are BEE certified.
Washing Machine	<ol style="list-style-type: none"> <li>1. About 90% of our products are energy efficient and BEE Star rated, efficiency in usage of water apart from Wash, rinse and Spin performance. 100% BEE compliance achieved and is mandatory</li> <li>2. Energy efficient injection molding machines with servo motors installed in factory.</li> <li>3. Water consumption is reduced by usage of re-cycled water during water testing in manufacturing</li> <li>4. Manufacturing steps are encouraged by In-house sub-assemblies encouraged wherever possible.</li> </ol>
Small Domestic Appliances	<ol style="list-style-type: none"> <li>1. In Desert cooler category, Design optimized for reduced Power Consumption by 15%.</li> <li>2. Developed BLDC motor for air cooler. Saving power consumption by 40%.</li> <li>3. 5% energy saving through optimization of molding parameters during manufacturing.</li> <li>4. Enhancing consumer comfort and ease of operation by introducing Smart mode IOT Air cooler which maintains human comfort under all weather conditions.</li> </ol>
Switch Gear (DP/IP)	Our Export Products are RoHS Compliance and using approx. 8% less energy as compared to competitors based on less material consumption during production.
Lighting	<ol style="list-style-type: none"> <li>1. BEE 4-star rating for LED Lamps (5 W to 23 W) with total number 30 million.</li> <li>2. Introducing RoHS compliance in LED bulb and batten categories.</li> </ol>

## 8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste - Hazardous Waste</b>		
(i) Recycled	246.064	168.323
(ii) Re-used	13.15	11.45
(iii) Other recovery operations	8.821	6.11
<b>Total</b>	<b>268.035</b>	<b>185.890</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste - Hazardous Waste</b>		
(i) Incineration	317.64	215.97
(ii) Landfilling	8.09	8.28
(iii) Other disposal operations	0.00	0.00
<b>Total</b>	<b>325.74</b>	<b>224.24</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste – Non-Hazardous Waste</b>		
(i) Recycled	15,382.157	12,089.483
(ii) Re-used	2,421.821	1,497.322
(iii) Other recovery operations (composting, energy recovery)	12.726	4.86
<b>Total</b>	<b>17,816.704</b>	<b>13,591.669</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste - Non- Hazardous Waste</b>		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, an independent assurance has been carried out by KPMG.

## 9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Please refer to Natural capital section of the IAR pages no. 52 for detailed description of our waste management practices.

## 10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No, we do not have any office or plant location around ecologically sensitive areas.

## 11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

No material fines were paid in FY 2023.

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2023	FY 2022
<b>Total Electricity consumption (A)</b>	32,988.35	30,149.60
Total fuel consumption (B)	1,103.99	2,086.18
Energy consumption through other sources (C)	32,988.35	30,149.60
Total energy consumed from renewable sources (A+B+C)	34,092.35	32,235.78
<b>From Non-renewable sources</b>		
<b>Total electricity consumption (D)</b>	<b>3,74,161.81</b>	<b>3,33,951.33</b>
<b>Total fuel consumption (E)</b>	<b>1,50,867.14</b>	<b>1,31,522.62</b>
Energy consumption through other sources (F)	0.0	0.0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>5,25,028.95</b>	<b>4,65,473.96</b>

2. Provide the following details related to water discharged:

Parameter	FY 2023	FY 2022
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment		
- With treatment – please specify level of treatment	8,088	7,362
(ii) To Groundwater		0.0
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater		0.0
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		0.0
- With treatment – please specify level of treatment		
(v) Others		0.0
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>8,088</b>	<b>7,362</b>

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) **Name of the area** - Sahibabad, Faridabad, Alwar, Neemrana, Ghiloth, Noida  
(ii) **Nature of operations** - Manufacturing location and Head Office  
(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2023	FY 2022
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater	82,869	23,547
(iii) Third party water	40,981	34,115
(iv) Seawater / desalinated water		
(v) Others (Municipal Water Supply)	15,449	24,364
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>1,39,299</b>	<b>82,026</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,39,299</b>	<b>82,026</b>



Parameter	FY 2023	FY 2022
<b>Water intensity per rupee of turnover (Water consumed / turnover)</b>	<b>8.26 KL/Cr</b>	<b>5.91 KL/Cr</b>
Water intensity (optional) – the relevant metric may be selected by the Entity		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	8,088	7,362
- No treatment		
- With treatment – please specify level of treatment	Tertiary treatment	Tertiary treatment
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>8,088</b>	<b>7,362</b>

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> Equivalent	1,028	853
<b>Total Scope 3 emissions per rupee of turnover</b>		0.06	0.06
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

We, at Havells do not perform any business activity which has an irreversible or negative impact on biodiversity. Also, we do not have any operational sites near high biodiversity value area or protected area.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Replacement of diesel fuel in all burners in baking oven by PNG fuel	Haridwar Fan plant was largest in terms of Diesel consumption amongst the group (536 KL/annum i.e., ~ 50% of total group's diesel consumption).  This was largely due to the traditional Diesel fired processes like paint shop and varnishing.  In the FY 2023, we have successfully converted the process from Diesel to LPG.	Reduced carbon emission approx. 550 Mt.  Auto leak detection system – safer operations  lesser maintenance  deskilling and de-risking of operations

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

In order to provide acceptable continuity of service, Havells has defined IT Continuity Policy for its IT services.

The objectives of the policy are: -

- a. To establish business contingency of operations of critical IT processes and deploy appropriate resources;
- b. To train IT personnel on handling disaster recovery scenarios.
- c. To provide information to all stakeholders about the ability to continue IT operations in case of disaster.

We have Information Security Management System (ISMS) that is ISO 27001 certified which demonstrates our commitment to continual improvement, development, and protection of information assets/sensitive data. We have implementing appropriate risk assessments, appropriate policies and controls. We conduct Information security/cybersecurity awareness training at regular intervals across various topics. We have a clear escalation process for employees to follow in the event an employee notices something suspicious is in place. Our business continuity / contingency plans and incident response procedures which is tested periodically, helps us further strengthen our digital infrastructure. Our risk management committee oversees the management and strategy of the Information Technology function to protect the confidentiality, integrity, and availability of computer systems, networks and data, against cyber-attacks or unauthorized access.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

NA

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

100 %

**PRINCIPLE 7**

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

**Essential Indicators**

1. (a) Number of affiliations with trade and industry chambers/ associations

17

1. (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Electric Lamp and Component Manufacturers Association of India	National
2	Indian Fan Manufacturers Association	National
3	The Associated Chamber of Commerce and Industry of India	National
4	Consumer Electronics and Appliances Manufactures Association	National
5	Refrigeration and Airconditioning Manufacturers Association	National
6	PHD Chambers of Commerce and Industry	National
7	Confederation of Indian Industry	National
8	Indian Electrical and Electronics Mfrs' Association	National
9	Faridabad Industries Association	State
10	Alwar Chamber of Commerce and Industry	State

## Leadership Indicators

### 1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain yes/no	Frequency of review by board (annually/half yearly/quarterly/ other)	Weblink
1	The Company has advocated on adoption of environmental standards relevant to its solutions in the areas of electronic waste and plastic waste management, renewable energy business ethics and skill development. The Company continuously makes efforts to further contribute on specific sustainable business issues.	Through membership with trade and industry associations the Company shares its feedback on matters as mentioned in the adjacent cell. Also, as and when the government seeks inputs from Industry the Company provides feedback on these issues through Industry Associations.	This is part of Stakeholder consultation by the respective Industry Associations.	Reviewed by relevant business management on as and when basis	Not applicable

### 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Same as Principle 4 – Leadership Indicator 2

## PRINCIPLE 8

Businesses should promote inclusive growth and equitable development.

### Essential Indicators

#### 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not applicable.

#### 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable.

#### 3. Describe the mechanisms to receive and redress grievances of the community.

Havells has multiple modes of communications where a community can air its concerns and present its needs and requirements. Please refer to our social capital section in the IAR (Refer page no. 13 & 67) for more details on our CSR activities and interaction with community.

#### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers*	30%	21%
Sourced directly from within the district and neighboring districts*	57%	58%

\* The calculation has been done boundary of within 300Km from the plant site

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
--	-------------------------

Not applicable as per Question 1 in Essential indicators

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (In Cr)
1	Madhya Pradesh	Vidisha	3.23

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No

- (b) From which marginalized /vulnerable groups do you procure?

Not applicable

- (c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit Share (Yes / no)	Basis of calculating benefit share
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Havells do not own or acquired intellectual property based on traditional knowledge

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the case	Corrective actions taken
-------------------	-------------------	--------------------------

NA

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
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Refer to Annexure - 6 to Annual report

## PRINCIPLE 9


Businesses should engage with and provide value to their consumers in a responsible manner

### Essential Indicators


#### 1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Havells believes in putting customer at the center of its value proposition. In order to ensure customer can easily reach us, we have established multiple lines of communications such as online service request, central helpline, whatsapp support, App based interaction and email- id. We also monitor and receive customer feedback through the social media such as Facebook and Twitter on real time basis. We have established a structured data management system and SLA to ensure every query is responded within a specified period of time. In case of escalation, a nominated grievance officer takes up the case and communicates with the customer on closure of the complaint.


**HAVELLS SUPPORT**




WhatsApp Support  
9711773333




Havells Sync App  
Download: Android | iOS



Online  
Service Request



Email-ID  
customercare@havells.com



Customer Care No.  
08045 77 1313

For post sales issues and request such as Lloyd products, we have also launched Khushiyon Ki Guarantee (KKG) initiative. The KKG process starts off at the customer's very first call to our service center. When the customer calls us for any service, It provides an KKG (Khushiyon Ki Guarantee) Number. On completion of the service, this number is provided to the service engineer. If the number is not provided, we will know that more effort has to be made to make the customer happy. Thereafter our special KKG Cell at Head Office will take over and do every possible ways to satisfactorily close the service request. Thus, closing the loop on the interaction.

#### 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	40.80%
Safe and responsible usage	100 %
Recycling and/or safe disposal	100%

#### 3. Number of consumer complaints in respect of the following:

We have received nil complaints in the aspects of Data privacy, Advertising, Cyber-security Restrictive Trade Practices and Unfair Trade Practices in FY2023 and FY2022. Our products and services do not fall under delivery of essential services. Most of our complaints are product performance related queries.

For more details on our customer interactions, please refer to our IAR .

#### 4. Details of instances of product recalls on account of safety issues:

There has been no instance of product recall on account of safety issues. Our product undergoes rigorous testing and quality assurance from safe usage and handling perspective. In addition, our product information such as manual, leaflet and product packaging carry safe usage instructions.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we have Enterprise Risk Management Policy, which includes risks to Cyber threats and data protection/ Privacy. Company's Integrated Risk Management Framework is in accordance with Globally accepted COSO (Committee of Sponsoring Organizations of the Treadway Commission) Framework. Roles based access rights are given to the users, in addition to this various next Gen solutions like (Data Leakage Protection (DLP), Advance Email threat Protection, Data and End Point encryption, Privileged Identity Management (PIM), SIEM etc. are in place. Data privacy policy is also displayed on company's websites page, wherever applicable. The relevant policy can be found at:- <https://www.havells.com/en/discover-havells/investor-relation/codes-and-policies.html>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable.

### Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

Information on Havells products and services can be assessed at [www.havells.com](http://www.havells.com)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide manuals with products and installation services to train the consumers on product usage and do's and don'ts. The usage of products and services are exhibited in User manuals and video available on the Havells platform ([www.havells.com](http://www.havells.com)). We also provide QR code for product details in some of the product and DIY (Do it yourself) installation video to service the product better.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Havells maintains continuous connect with its customers which ensures smooth running of operations through Havells Customer Care No. (08045771313), Email, Whatsapp, Havells Sync Mobile App.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

As an integral part of Havells consumer satisfaction focus, attention is paid to product information and labelling and consumer engagement by the Businesses Yes, we provide manuals with products and installation services to train the consumers on product usage and do's / don't. Havells Digital Marketing team carried out continuous monitoring of Online Reputation Management (ORM); Feedback, post and complaints, etc., are tracked and responded on real time across key online platforms (Twitter, Facebook, Instagram, Linked-in, etc.). More than 1mn+ customer comments are being examined every year w.r.t. we ensure every query is responded within a specified period of time.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact

NIL

- b. Percentage of data breaches involving personally identifiable information of customers

NIL

# Management Discussion and Analysis

## Context

Financial year 2022-23 witnessed a mixed operating environment as it had a healthy business outlook while at the same time faced challenges around commodity price fluctuations, rupee depreciation and accelerated inflation rates. In the backdrop of global challenges, India continued its strong growth with a rebound in private consumption and increase in government capital expenditure. During the year, India became the world's fifth largest economy and its GDP is estimated to grow at 6.8% in FY23 (IMF World Economic Outlook). India is expected to maintain leading growth in coming years.

The consumer electricals and durables industry continues to perform well with demand expanding on the back of increasing penetration, urbanisation, electrification and higher share of wallet for homes.

The megatrends shaping the business landscape include consumers becoming more informed, demanding and aspirational. Internet of Things (IoT) and smart connected homes are on the rise with the younger population contributing to buying decisions in the home. There is a clear preference for brands of trust and reliability as well as those ensuring deep engagement with consumers using an omni-channel approach.

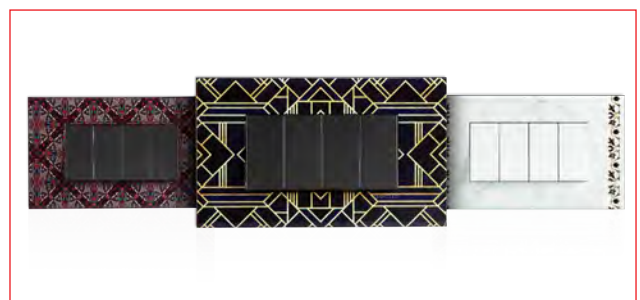
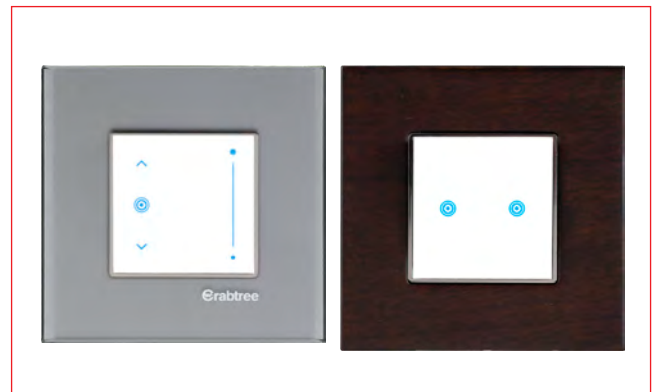
## Segment-wise overview including industry structure, developments and outlook

### Switchgear

The Strategic Business Unit (SBU) comprises Building Circuit Protection (BCP) equipment, switches and automation solutions, also called Electrical Wiring Accessories (EWA) and industrial switchgear. Havells is a pioneer in understanding

changing customer requirements and filling any vacuum with well thought through advanced products that offer the latest technology and deliver best value to customers. The focus remained on developing and launching new products and offerings. We introduced downstream protection devices that offer protection from current leakage and voltage surges, reflecting our customer first approach. These devices ensure circuit protection at the socket level, and safeguard user equipment. The latest offerings from Havells switchgear—ST<sup>^</sup>Dx range of MCBs, RCCBs, are intuitive and performance driven innovative protection devices.

In the switches category, the growing acceptance of smart and connected technologies is driving the transition towards smart homes. We are also expanding our smart portfolio and adding new product lines. Our new range of Signia smart products that was launched during the year has already proved successful by demonstrating rapid growth in the retrofit modular products segment.



Besides smart switches, we are also focused on the affordable segment with our REO Brand. We have added Matt Black switches to this portfolio to offer customers more variety with availability of choice even at the entry level.

The Switchgear segment registered net revenues of ₹ 2,120 crores during FY 2023 with contribution margins at 38.4% compared with net revenues of ₹ 1,786 crores with contribution margins at 38.6% during FY 2022. Our contribution margin continued to remain resilient despite raw material cost increases and inflation, achieved through effective price increases to market and alignment in product mix.

**Electrical consumer durables (ECD)**

This SBU comprises fans, small domestic appliances and water heaters. With effect from January 1, 2023, the fan industry moved to BEE rated energy efficient fans with all manufacturers phasing out non-rated fans by end of calendar year 2022. In the pre-transition phase there was initially some uncertainty with significant destocking in the channel, but just before the transition, there was healthy pickup by channels. Havells continued to focus on mass-premium offerings in the fans segment with a complete portfolio of decorative and designer star-rated fans. With the rating transition, Havells bolstered its range with a new range of designer BLDC fans. In 2023, Havells is set to offer the widest range of star rated and BLDC fans to Indian consumers.

During the year, Havells unveiled a new advertising campaign under its iconic ‘Hawa Badlegi’ advertising platform. In addition, we kicked off 2023 summer season with Brand Standard new brand promise of “Performance Ka Higher Standard” and

Havells fans campaign “Look up to great designs, wider range and energy savings” presenting widest range of star rated designer fans.

Driven by strong research on changing consumer needs and subsequent innovative offerings to cater to those needs, Havells has been among the top three players in most of the key categories in the appliance space in across different states in India.

The industry continues to witness higher demand for premium offerings across all sub-segments. The growth was also seen in deeper markets i.e., Tier 2 and Tier 3 cities and beyond. Even specific channels like MFR, e-commerce showed promising growth.

While large categories like mixer grinder (MG) and juicer mixer grinder (JMG) are already flag bearers of the Make in India movement, other key categories like induction cooktops, steam iron and toasters, room heaters, hand blenders etc. have followed suit. Steps to indigenise these product categories were initiated to cut down reliance on imports. Capabilities are being developed for in-house manufacturing in order to achieve design, innovation and cost advantage in the market. We witnessed 37 new launches across different channels and geographies to cater to customised demand in the appliances segment.

The electronic consumer durables (ECD) division registered net revenues of ₹ 3,296 crores during FY 2023 with contribution margins at 23.3% compared with net revenues of ₹ 3,067 crores with contribution margins at 23.3% during FY 2022.





## Cable

The category experienced stable growth in FY 2023 inspite of decreasing metal prices for the major part of the year and copper price volatility. The industry continued its transition from the unorganised to the organised segment with increased consumer focus on buying branded and reliable products for homes and workplaces. Channel expansion and focus on semiurban and rural markets helped the business to register volume growth despite a high base.

Increased government spending and focus on infrastructure development, educational institutes, health institutes, development of manufacturing hubs, expansion of 5G network etc. were some of the growth drivers in FY 2023. There is a strong demand visibility across all industrial segments which led to an overall improved environment for the industrial cable sector. Various sectors like renewable energy, data centres, metros, 5G, airports and defence, digitilisation are expected to provide the levers for sustained growth in coming years.

With increased consumer awareness about safety, the industry is focused on sales of specialised cables like the heat resistant flame retardant (HRFR) cables, the , flame retardant and low smoke halogen (FRLS-H) cables and the halogen free flame retardant (HFFR) cables. This year our new TV ad campaign focused on 'halogen free flame retardant wires' that has worked to clearly highlight the importance of safety in consumer minds.

The cables division registered net revenues of ₹ 5,533 crores during FY 2023 with contribution margins at 12.9% compared with net revenues of ₹ 4,645 crores with contribution margins at 14.6% during FY 2022.



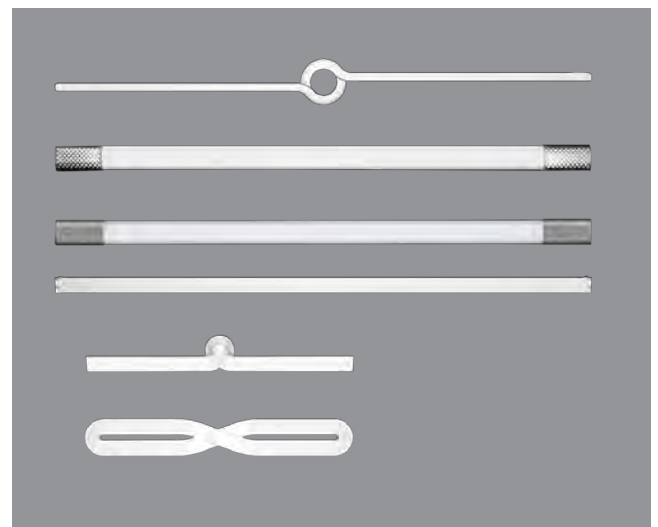
## Lighting

Havells Lighting business comprises of two business units (BU) – consumer lighting and professional lighting. Both these BUs experienced strong performance during FY 2023 thereby strengthening Havells positioning as a leading lighting brand in India. With a wide variety of product offerings, innovative solutions, performance reliability, easy availability, and after-sales service, Havells Lighting has evolved as a brand of choice for customers across segments and categories.

With our economy emerging stronger post-Covid, the professional lighting business too experienced a strong demand environment in many customer segments. Havells new streetlight offerings achieved increased spacing between poles while still meeting stringent light requirements, thereby maximising value for all stakeholders. We also introduced sensor based street lights that automatically switch ON and OFF based on daylight sensing, thus saving energy. For offices and modern workspaces, aesthetically designed luminaires were launched during the year.

We have developed a competent team to engage with customers and understand their need for automation. Our smart solutions can deliver significant features such as human-centric lighting, daylight saving, colour tunability, multi-sensor functionality, standalone and cloud-based working, etc.

In the consumer lighting business, Havells has established itself as a leading innovative lighting brand through a series of differentiated product launches. One such highlight was the launch of Glamtubes that offer a single light solution to consumers, thus making battens look glamorous and beautiful yet perform the best! Glamtubes are based on industry best technology. on performance and elegant aesthetic designs.



Today's consumers, embracing their own uniqueness, have a choice of designs that reflect their personalities and match their decor, whether at home or work. The demand for premium lighting is on the rise. Havells Home Art Light is a one-stop shop for all things lighting – from basic to high-end, from minimalistic to opulent or ornate, as well as luxury lighting solutions. We have 30 Home Art Light Brand stores with experiential zones that provide consumers an opportunity for the real light experience.

The Lighting division registered net revenues of ₹ 1,602 crores during FY 2023 with contribution margins at 29.8% compared with net revenues of ₹ 1,371 crores with contribution margins at 31.3% during FY 2022.

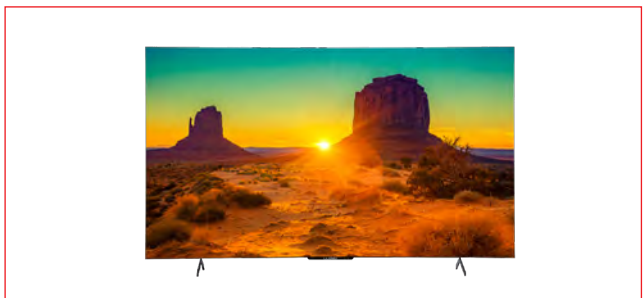
**Lloyd**

Following two years of disrupted summer sales for air Conditioners and refrigerators due to COVID-19, this year witnessed a good summer with a full season on the market. Backed by strong in-house manufacturing, Lloyd capitalised on the opportunity, gained market share and cemented its position of being a meaningful player in the AC market. While increasing share of premium products in the portfolio, the Company strengthened the product portfolio with range completion to achieve its positioning of a full stack consumer durable player. Additionally, channel focus over the years has

enabled Lloyd to achieve a meaningful presence in the market across traditional and emerging channels.

The continued hyper competition in the market and commodity price volatility created some margin pressures for Lloyd. Despite that, we continued our accelerated investment in the brand, R&D, manufacturing and talent. With a strong R&D focus, we developed and brought to market differentiated offerings for our customers with new product feature additions. We launched the New Lloyd Grande Heavy Duty AC with superior features like powerful cooling (even at 60 degrees) and indoor air purification technology. We kicked off the summer of 2023 with Lloyd's new brand promise of 'Khayal jo ghar ko ghar banaye' which captures the role of Lloyd products as an enabler of love and care at home. We commissioned the new Lloyd air-conditioner plant at Sri-City in Chittoor District in the state of Andhra Pradesh during the year. This plant will not only double the AC production capacity but also augment the GTM with manufacturing presence in the southern part of the country, besides unlocking export opportunities and better inventory management during the peak season.

The Lloyd consumer division registered net revenues of ₹ 3,369 crores during FY 2023 with contribution margins at 4.4% compared with net revenues of ₹ 2,261 crores with contribution margins at 6.9% during FY 2022.



## Opportunities

- A. Industry growth and under penetration:** Electricals and consumer durables categories are still under penetrated and poised for strong growth on the back of increasing urbanisation and personal disposable income.
- B. Increasing electrification:** Government efforts towards enhanced power availability is continually increasing electrification in semi-urban and rural areas, along with stable electricity supply in urban areas. This has translated into better demand for electrical and consumer durable products in new and existing markets.
- C. Infrastructure expansion:** The government's strong focus on infrastructure expansion including highway construction, railway modernisation and airport additions is expected to create demand for electrical goods.
- D. Favourable demographics:** While the world is rapidly aging, India's population is among the youngest globally. With a median age of less than 29 years and 67% of the population in the working age group of 15-64 years this is a key demographic dividend for India.
- E. Exports:** A sizeable global market is looking to diversify its supply chain in order to tide over any probable regional challenges or geopolitical issues. With a strong business environment and enhanced ease of doing business, India is emerging as a strong country and as a manufacturing alternative to other Asian countries.
- F. Product Portfolio:** With a strong full stack product portfolio across electricals and durables, industrial and infrastructure, consumer and residential segments, the Company is well-positioned to capitalise on a great opportunity to increase shelf space at the retail counter and share of wallet of the consumer. Alongside providing a natural hedge in case of an economic downturn, a complete product portfolio enhances the opportunity to cross sell with channel partners and final consumers.
- G. Accelerated shift from unorganised to organised:** A large portion of the consumer electrical market continues to be unorganised.. However, increasing brand awareness, formalisation and aspirations, can accelerate the shift in consumer preference from unorganised to organised, which shall be beneficial for the key players.

## Risk and Concerns

- A. Economic slowdown:** Slowdown in the Indian economy due to global developments could adversely impact growth in the short-term.
- B. Commodity pressures:** Sharp increase in commodity prices could lead to increase in cost of finished goods thereby impacting affordability and consumer sentiment.
- C. Competitive intensity:** Irrational market behaviour with increased competitive intensity could cause value erosion for the industry as a whole especially with the entry of new disruptive players with access to low cost capital and extended ability to sustain losses to capture market share.

- D. Power disruptions:** Any impact on power distribution and electricity delivery can impact the demand for electrical products. Availability of stable and quality power supply continues to be an important factor for the industry's growth prospects.
- E. Pandemic:** Deterioration in supply chain and demand due to the COVID-19 pandemic or similar disruptions have emerged as a significant business risk.
- F. Geopolitical crisis:** Volatility in the commodity and foreign currency markets may impact raw material availability due to geopolitical challenges in different geographies around the world.

Also kindly refer to the section Risk Management of this Integrated report

## Awards and Accolades

Havells received the following awards during the Financial Year ended 31<sup>st</sup> March, 2023:

- Golden Pin Product Design Award for Freedom Architectural Light
- DIA\_Design Intelligence Award for Freedom Architectural Light
- DIA\_Design Intelligence Award for Vogue Highbay
- CII Design Excellence Award for Lloyd Elante Washing Machine
- CII Design Excellence Award for Zella Immersion Rod
- India's Best Design Award for In-house Studio Award\_Havells CXD
- European Product Design Award for Meditate UX
- Product of the Year, Consumer survey of Product Innovation 2022 for Lloyd Elante Washing Machine
- National Accreditation Board of Testing & Calibration Laboratories (NABL) for Faridabad Electrical Lab
- Design Wall Awards, Platinum Winner, Acetech, Delhi. awarded by Deputy Chief Minister of Delhi Mr. Manish Sisodia.
- Rural – RMAI Flame Awards Asia 2022 in the category - Best Last Mile Initiative of the Year - Havells UTSAV Store
- Solar – Solar Quarter Business Meet, State Awards; First View Group
  - “Most Trusted Inverter Brand of the State” Pune, Maharashtra; Bengaluru, Karnataka & Chandigarh
  - “State Customer's Choice Award - Inverter (Rooftop)” Haridwar, Uttarakhand & Ahmedabad, Gujarat
  - “State Market Leader Award – Inverter (On-Grid)” Indore, Madhya Pradesh & Jaipur, Rajasthan
  - “Solar EPC Company of the Year” Kochi, Kerala
- Pitch – Winner of Resurgent Brand Award at Pitch Top 50 Brands

The Chairman was also awarded “Best CEO from the Consumer Durable Industry” by the Business Today Best CEOs Award 2022.

## Key ratios

Sl.	Ratio	As at 31 March, 2023	As at 31 March, 2022	Change	Explanation for change in the ratio by more than 25% as compared to the previous year
A	Current Ratio (times) = Current assets/ Current liabilities	1.8	1.8	1.2%	Not Applicable
B	Debt-Equity Ratio (times) = Total Borrowings/ Shareholder's equity	-	0.1	-100.0%	Debt repayment
C	Debt Service Coverage Ratio = Earnings available for debt service/ Debt service {refer note 15(A)(c)}	3.0	8.7	-65.6%	Debt repayment
D	Return on Equity Ratio % = Net Profits after taxes/ Average shareholder's equity	17.1%	21.4%	-4.4%	Not Applicable
E	Inventory turnover ratio (times) = Revenue from operations/ Average inventory	5.0	5.0	1.7%	Not Applicable
F	Trade receivables turnover ratio (times) = Net credit revenue from operations/ Average trade receivables	19.4	20.9	-7.1%	Not Applicable
G	Trade payables turnover ratio (times) = Net credit purchases/ Average trade payables	5.9	5.8	1.6%	Not Applicable
H	Net capital turnover ratio (times) = Revenue from operations/ Working capital	5.3	4.7	11.9%	Not Applicable
I	Net profit ratio % = Net profit/ Revenue from operations	6.4%	8.6%	-2.2%	Not Applicable
J	Return on capital employed % = EBIT/ Average Capital Employed	22.8%	27.5%	-4.70%	Not Applicable
K	Return on investment % = EBIT/ Average total assets	12.1%	15.5%	-3.4%	Not Applicable

## Human Resources

Kindly refer to the section Human Capital of this Integrated report page no. 42

## Internal control mechanism

Kindly refer to the section Risk Management of this Integrated report page no. 16

## Disclaimer Clause

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

# Report on Corporate Governance

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2023 is presented below:

## (1) A Brief Statement on Listed Entity's Philosophy on Code of Governance

**Who we are is defined by what we do and how we do**

This simple philosophy underlines our approach to Corporate Governance. So, if growth is our intention, how we achieve this growth is a part of our Corporate Governance. For us, Corporate Governance goes beyond philanthropy and compliance but actually deals with how we manage our triple bottom lines – economic, social and environmental impacts. It monitors our role as well as the quality of our relationships in key spheres of influence including the workplace, the market place, the supply chain, the community and the public policy realm.

As a Company, we distinguish ourselves in the market by offering a portfolio of ecologically responsible electrical products and services that deliver powerful, sustainable and energy efficient solutions that do not compromise on capacity or security.

Our eco-friendly approach is evident in our efforts to develop an alternate energy strategy so as to reduce the environmental impact from our business. We are equally committed to managing a responsible supply chain in a manner that is consistent and compliant with our high standards for environment and business practices.

We recognise that there are barriers that constrain innovation, both, in individuals and communities and we work to overcome them. We build communities and promote the exchange of ideas through assistive technologies; participative programs and standardization that transforms the way people experience our products. Our energy efficient solutions enable people to save money and protect their capital investment while also lowering their energy usage and protecting the environment.

This contributes to our social responsibility of sustenance of depleting environmental resources.

### Corporate Governance and Ethics

As a Company we have always worked on the side of ethics and have shunned expediency in any form. We believe that if something is important enough to be done, it is important that we do it ethically. We supplement our traditionally held values of ethical behaviour and moral conduct with explicit rules and regulations that guide our efforts in financial, propriety, customer care and business excellence.

We uphold the policy of "Leadership with trust" that has come to play a vital role in how our customers perceive us. This is important, given the climate of unparalleled public distrust of people in positions of power and authority in contemporary business and politics.

## (2) Board of Directors

The Board of Directors has an optimum combination of Executive and Non-Executive Directors with One Woman Director while fifty per cent of the Board of Directors comprises of Independent Directors. The Chairperson of the Board is an Executive Director. The profiles of Directors can be accessed on the Company's website at <https://www.havells.com/en/aboutus/directors.html>

The Board meets at least 4 (Four) times a year and more often if Company needs merit additional oversight and guidance. During the financial year 2022-23, the time gap between any two board meetings did not exceed 120 (One Hundred and Twenty) days. The Board of Directors periodically reviews compliance reports pertaining to all laws applicable to the Company. All statutory and other matters of significance including information as mentioned in Part A of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are informed to the Board to enable it to discharge its responsibility of strategic supervision of the Company.

### Tenure of Independent Directors

The Board has adopted the provisions with respect to appointment and tenure of Independent Directors consistent with the Companies Act, 2013 and the Listing Regulations. As per the provisions of the Companies Act, 2013, the Independent Directors shall be appointed for not more than two terms of maximum of five years each and shall not be liable to retire by rotation. At the time of appointment of an Independent Director, the Company issues a formal letter of appointment outlining his/ her role, function, duties and responsibilities as a Director. The template of the letter of appointment is available on our website.

### Lead Independent Director

The Independent Directors of the Board had nominated Shri Upendra Kumar Sinha as the Lead Independent Director of the Company. The role of the Lead Independent Director is to provide leadership to the Independent Directors, liaise on their behalf and ensure effective functioning of the Board.

(a) Composition and category of Directors (e.g. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director - institution represented and whether as lender or as equity investor)

As at 31<sup>st</sup> March, 2023, the composition of the Board of Directors of the Company was as follows:

S. No.	Name of the Director		Category
1	Shri Anil Rai Gupta		Executive Chairman and Managing Director
2	Shri Surjit Kumar Gupta	Promoters	Non-Executive Non-Independent Director
3	Shri Ameet Kumar Gupta		Executive Whole-time Director
4	Shri Rajesh Kumar Gupta		Executive Whole-time Director (Finance) and Group CFO
5	Shri Siddhartha Pandit		Executive Whole-time Director
6	Shri T. V. Mohandas Pai		Non-Executive Non-Independent Director
7	Shri Puneet Bhatia		Non-Executive Non-Independent Director
8	Shri Jalaj Ashwin Dani		Independent Director
9	Shri Upendra Kumar Sinha	Non-Promoters	Independent Director
10	Shri Subhash S Mundra		Independent Director
11	Shri B Prasada Rao		Independent Director
12	Shri Vivek Mehra		Independent Director
13	Smt. Namrata Kaul		Independent Director
14	Shri Ashish Bharat Ram		Independent Director

(b) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting

S. No.	Name of the Director	Attendance in Board Meetings					AGM 8 July 22
		4 May 22	20 July 22	19 Oct 22	19 Jan 23	25 Mar 23	
1	Shri Anil Rai Gupta	✓	✓	✓	✓	✓	✓
2	Shri Surjit Kumar Gupta	✓	✓	✓	✓	✓	✓
3	Shri Ameet Kumar Gupta	✓	✓	✓	✓	✓	✓
4	Shri Rajesh Kumar Gupta	✓	✓	✓	✓	✓	✓
5	Shri T. V. Mohandas Pai	✓	✓	✓	✓	✓	✓
6	Shri Puneet Bhatia	x	✓	✓	✓	✓	✓
7	Shri Jalaj Ashwin Dani	✓	✓	✓	✓	✓	✓
8	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
9	Shri Siddhartha Pandit	✓	✓	✓	✓	✓	✓
10	Shri Subhash S Mundra	✓	✓	x	✓	✓	✓
11	Shri B Prasada Rao	✓	✓	✓	✓	✓	✓
12	Shri Vivek Mehra	✓	✓	✓	✓	✓	✓
13	Smt. Namrata Kaul	✓	✓	✓	✓	✓	x
14	Shri Ashish Bharat Ram	✓	✓	✓	✓	✓	✓

(c) Number of other Board of Directors or Committees in which a Director is a member or chairperson as on 31st March, 2023

S. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
1	Shri Anil Rai Gupta	4	1	0
2	Shri Surjit Kumar Gupta	3	1	0
3	Shri Ameet Kumar Gupta	4	1	0

S. No.	Name of the Director	Directorships in Other Board of Directors*	Membership of Committees of Other Boards**	Chairmanship of Committees of Other Boards**
4	Shri Rajesh Kumar Gupta	1	0	0
5	Shri T. V. Mohandas Pai	1	0	0
6	Shri Puneet Bhatia	4	0	0
7	Shri Jalaj Ashwin Dani	4	4	2
8	Shri Upendra Kumar Sinha	8	8	5
9	Shri Siddhartha Pandit	1	0	0
10	Shri Subhash S Mundra	5	5	3
11	Shri B Prasada Rao	3	2	0
12	Shri Vivek Mehra	9	7	3
13	Smt. Namrata Kaul	7	8	3
14	Shri Ashish Bharat Ram	6	2	1

Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2023-24.

\* Directorships are reported for listed and unlisted public companies (including Havells India Limited) but excludes private limited companies, foreign companies, section 8 companies and alternate directorships.

\*\* Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including Havells India Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.

Names of the Listed entities where the person is a Director and the category of Directorship as on 31<sup>st</sup> March, 2023

S. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
1	Shri Anil Rai Gupta	Havells India Limited	Chairman and Managing Director
		Campus Activewear Limited	Non-Executive Non-Independent Director
2	Shri Surjit Kumar Gupta	Havells India Limited	Non-Executive Non-Independent Director
		Havells India Limited	Whole-time Director
3	Shri Ameet Kumar Gupta	APL Apollo Tubes Limited	Independent Director
		Havells India Limited	Whole-time Director (Finance) and Group CFO
4	Shri Rajesh Kumar Gupta	Havells India Limited	Whole-time Director
		Havells India Limited	Non-Executive Non-Independent Director
5	Shri Siddhartha Pandit	Havells India Limited	Non-Executive Non-Independent Director
		Havells India Limited	Non-Executive Non-Independent Director
6	Shri T. V. Mohandas Pai	Havells India Limited	Independent Director
		Housing Development Finance Corporation Limited (HDFC Ltd.)	Independent Director
7	Shri Jalaj Ashwin Dani	Havells India Limited	Independent Director
		Havells India Limited	Independent Director
		Nippon Life India Asset Management Limited	Independent Director
		SIS Limited	Independent Director
8	Shri Upendra Kumar Sinha	New Delhi Television Limited (NDTV)	Independent Director
		Havells India Limited	Independent Director
9	Shri Subhash S Mundra	Indiabulls Housing Finance Limited	Independent Director
		BSE Limited	Independent Director
		Havells India Limited	Independent Director
		Poonawala Fincorp Limited	Independent Director
10	Shri B Prasada Rao	Havells India Limited	Independent Director
		Havells India Limited	Independent Director
		HT Media Limited	Independent Director
11	Shri Vivek Mehra	Jubilant Pharmova Limited	Independent Director
		Havells India Limited	Independent Director

S. No.	Name of Director	Name of Listed Entity in which Director	Category of Directorship
		Chambal Fertilisers and Chemicals Limited	Independent Director
		DLF Limited	Independent Director
		Digicontent Limited	Independent Director
		Zee Entertainment Enterprises Limited	Independent Director
13	Smt. Namrata Kaul	Havells India Limited	Independent Director
		Prime Securities Limited	Independent Director
		Schneider Electric Infrastructure Limited	Independent Director
14	Shri Ashish Bharat Ram	Havells India Limited	Independent Director
		SRF Limited	Chairman and Managing Director
		Kama Holdings Limited	Non-Executive Non-Independent Director

1. The count for the number of listed entities on which a person is a Director/ Independent Director is of only those whose equity shares are listed on a Stock Exchange.
2. Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2023-24.

**(d) Number of Meetings of the Board of Directors held and dates on which held**

During the financial year 2022-23, 5 (Five) Board Meetings were held. The dates on which these Meetings were held are given in the Table provided in pt. no. (b) hereinabove.

**(e) Disclosure of relationships between directors inter-se**

Shri Ameet Kumar Gupta, Whole-time Director on the Board of Directors is the son of Shri Surjit Kumar Gupta, Non-Executive Non-Independent Director.

**(f) Number of shares and convertible instruments held by Non-Executive Directors**

None of the Non-Executive Directors holds any share in the Company.

**(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed**

All Independent Directors are familiarized with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance covering all Business verticals, by way of presenting specific performance of each Plant, Product Category and Corporate Function from time to time. The entire Board including Independent Directors has access to Product Heads/ Factory Heads and other commercial/ technical staff, wherever required for informed decision making. Detailed agenda are sent well in advance to all the Directors in order for the Board to perform its function and fulfill its role effectively.

The details regarding Independent Directors' Familiarisation Programmes are given under the "Codes & Policies" in the "Corporate Governance" section on the website of the Company and can be accessed at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/Familiarisation\\_Programmes\\_for\\_Independent\\_Directors.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Familiarisation_Programmes_for_Independent_Directors.pdf)

**(h) Skills/Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's Business**

The Company is a Fast Moving Electrical Goods (FMEG) Company with the individual Members of its Board of Directors bringing in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience in the following competence areas:

- Financial and business acumen;
- Guiding and setting the pace for Company's Operations and future development by aiding implementation of best systems and processes;
- Building effective Sales & Marketing strategies, Corporate Branding and Advertising functions;
- Overseeing the development and implementation of Risk Management/ GRC tools;
- Management and strategy of the Information Technology function; and
- Human Resources Management

The Nomination and Remuneration Policy of Directors, KMPs and Other Employees of the Company sets out the criteria which serve as guidelines in considering potential nominees to the Board of Directors to ensure the continuance of a dynamic and forward-thinking Board.



## Expertise/ Skills of Directors

S. No.	Name of the Director	Expertise/ Skills
1	Shri Anil Rai Gupta	Strategic Marketing, Brand transformation and Finance.
2	Shri Surjit Kumar Gupta	Technical planning and foreign alliances.
3	Shri Ameet Kumar Gupta	Business development, spearheading new projects.
4	Shri Rajesh Kumar Gupta	Finance and allied fields, standardization of systems and processes across the organization.
5	Shri Siddhartha Pandit	Contract Drafting & Negotiations, Litigation Management, Dispute Resolution, M&A Statutory Compliances, Intellectual Property Rights (IPR) etc.
6	Shri T. V. Mohandas Pai	IT reforms, Human Resources, Education & Research, Social Reforms and betterment of the nation in areas of Trade and Industry.
7	Shri Puneet Bhatia	Strategic private equity investment and Business Management.
8	Shri Jalaj Ashwin Dani	Supply Chain, Human Resources, Corporate Quality and Safety Functions, Advanced Management and Skill Development.
9	Shri Upendra Kumar Sinha	Asset Management, Securities Laws, Corporate Governance, Banking, Finance, Foreign Investment, Corporate Bond Management and Investor Protection.
10	Shri Subhash S Mundra	Banking, Risk Management, Corporate Governance, Operations and Process Optimization.
11	Shri B Prasada Rao	Corporate Management, Planning & Development activity, Capacity & Capability building.
12	Shri Vivek Mehra	Tax and Regulatory reforms, Cross-border Investments and Transaction Structuring
13	Smt. Namrata Kaul	Banking & Finance, Treasury Operations, Debt Capital Market & Corporate Finance, Risk and Credit Management, Social development.
14	Shri Ashish Bharat Ram	Strategic Planning, Entrepreneurial and Commercial Acumen, Brand Building and M&A.

## (i) Confirmation that in the opinion of the Board, the Independent Directors fulfill the conditions specified in these Regulations and are independent of the management

Based on the declaration submitted by the Independent Directors of the Company provided at the beginning of the Financial Year 2023-24, the Board hereby certify that all the Independent Directors appointed by the Company fulfill the conditions specified in these regulations and are independent of the management.

## (j) Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:

None.

**Separate Meeting of the Independent Directors**

Abiding the highest norms of Corporate Governance, separate Meeting of the Independent Directors of the Company is held every year in terms of the Schedule IV to the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereat, inter alia, the following prescribed items are discussed:

- Review of performance of Non-Independent Directors and the Board as a whole;
- Review of performance of the Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors;
- Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In respect of the financial year 2022-23, the Independent Directors met separately on 25<sup>th</sup> March, 2023 without the presence of any Non-Independent Director or representatives of management.

**Company's Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons**

The Company has formulated a Code of Conduct to Regulate, Monitor, Report Trading by Designated Persons to deter the insider trading in the securities of the Company based on the unpublished price sensitive information.

The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The said policy was last updated

by the Board of Directors on 21<sup>st</sup> July, 2021 pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The full text of the Code is available on the website of Company under “Codes & Policies” in the Corporate Governance section and can be accessed at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/Code\\_of\\_Conduct\\_to\\_Regulate\\_Monitor\\_Report\\_Trading\\_by\\_Insiders.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Code_of_Conduct_to_Regulate_Monitor_Report_Trading_by_Insiders.pdf)

For the purpose of monitoring the Policy, the Company uses a system-based software through which reports and analytics are made available based on the criteria defined in the SEBI (Prohibition of Insider Trading) Regulations, 2015.

### Subsidiary

The Company has 1 (One) Subsidiary Company which is incorporated outside India.

Please refer to the Directors’ Report for further details regarding subsidiary.

The Board has approved a “Policy for determining Material Subsidiaries” of the Company viz. Havells India Limited and the same is available on the website of the Company under “Codes & Policies” in the Corporate Governance section and can be accessed at [https://havells.com/content/dam/havells/Corporate\\_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf)

The Audit Committee of the Company reviews the financial statements, in particular, the investments made by the unlisted foreign subsidiary company.

The Minutes of the Board Meetings of the unlisted foreign subsidiary company are placed at the Board Meeting(s) of the Company held at the end of every quarter for approval of financial results.

The Management periodically brings to the attention of the Board of Directors, a statement of all significant transactions and arrangements entered into by the unlisted foreign subsidiary company.

### Related Party Transactions

The Board of Directors has approved a Policy on “Related Party Transactions” and also on dealing with Related Party Transactions and the same was last reviewed by the Board of Directors on 20<sup>th</sup> January, 2022.

The Policy is available on the website of the Company under “Codes & Policies” in the Corporate Governance section and can be accessed at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/Related\\_Party\\_Transactions\\_Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/Related_Party_Transactions_Policy.pdf)

The shareholders of the Company vide Special Resolution passed on 9<sup>th</sup> June, 2014 approved per annum limits (beginning 1<sup>st</sup> April, 2014) for certain Related Party Transactions of the Company.

Within the permissible limits under the Companies Act, 2013 and/ or shareholder approved limits, the Audit Committee and the Board approve the annual limits for related party transactions projected for the next financial year.

Further, a statement on all related party transactions is presented before the Audit Committee on a quarterly basis for its review.

## (3) Audit Committee

### (a) Brief description of terms of reference

The terms of reference of the Audit Committee are as per the governing provisions of the Companies Act, 2013 (Section 177) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part C of Schedule II).

The Role of the Audit Committee includes the following:

- (i) oversight of the Company’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (ii) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- (iii) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (iv) reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:
  - (a) matters required to be included in the director’s responsibility statement to be included in the Board’s Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;

- (v) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (vi) reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- (vii) reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (viii) approval or any subsequent modification of transactions of the Company with related parties;
- (ix) scrutiny of inter-corporate loans and investments;
- (x) valuation of undertakings or assets of the Company, wherever it is necessary;
- (xi) evaluation of internal financial controls and risk management systems;
- (xii) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems,
- (xiii) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (xiv) discussion with internal auditors of any significant findings and follow up thereon;
- (xv) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (xvii) to look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;
- (xviii) to review the functioning of the whistle blower mechanism;
- (xix) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xx) considering such other matters the Board may specify;
- (xxi) reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.
- (xxii) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
- (xxiii) reviewing other areas that may be brought under the purview of role of Audit Committee as specified in SEBI Regulations and the Companies Act, from time to time.

The Audit Committee has been granted powers as prescribed under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary. The Committee also mandatorily reviews the information as specified in the SEBI Regulations– management discussion and analysis of financial condition and results of operations, management letters/ letters of internal control weaknesses issued by the statutory auditors, if any, internal audit reports relating to internal control weaknesses, the appointment, removal and terms of remuneration of the chief internal auditor and statement of deviations.

#### (b) Composition, Name of Members and Chairperson

The Audit Committee comprises of 4 (Four) Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/ Statutory Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee. The Composition of Audit Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Upendra Kumar Sinha	Non-Executive Independent	Chairman
2	Shri B Prasada Rao	Non-Executive Independent	Member
3	Smt. Namrata Kaul	Non-Executive Independent	Member
4	Shri Ameet Kumar Gupta	Executive	Member

(c) Meetings and attendance during the year

S. No.	Name	Attendance in Audit Committee Meetings held on					
		4 May 22	20 Jul 22	1 Sep 22	19 Oct 22	18 Jan 23	24 Mar 23
1	Shri Upendra Kumar Sinha	✓	✓	✓	✓	✓	✓
2	Shri Subhash S Mundra*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
3	Smt. Namrata Kaul	✓	✓	✓	✓	✓	✓
4	Shri Surjit Kumar Gupta*	✓	N.A.	N.A.	N.A.	N.A.	N.A.
5	Shri B Prasada Rao**	N.A.	✓	✓	✓	✓	✓
6	Shri Ameet Kumar Gupta**	N.A.	✓	✓	x	✓	✓

\* Shri Subhash S Mundra and Shri Surjit Kumar Gupta ceased to be Members w.e.f. 5<sup>th</sup> May, 2022.

\*\* Shri B Prasada Rao and Shri Ameet Kumar Gupta appointed as Members w.e.f. 5<sup>th</sup> May, 2022.

(4) Nomination and Remuneration Committee

(a) Brief description of terms of reference

The Nomination and Remuneration Committee determines on behalf of the Board and on behalf of the Shareholders, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the various ESOP/ ESPPS Plans of the Company.

(b) Composition, Name of Members and Chairperson

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee. The Composition of the

Nomination and Remuneration Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Ashish Bharat Ram	Non-Executive Independent	Chairman
2	Smt. Namrata Kaul	Non-Executive Independent	Member
3	Shri Puneet Bhatia	Non-Executive Non-Independent	Member

(c) Meeting and attendance during the year

S. No.	Name	Attendance in Nomination and Remuneration Committee Meeting held on
		4 May 22
1	Shri Ashish Bharat Ram <sup>#</sup>	N.A.
2	Shri Vivek Mehra*	✓
3	Smt. Namrata Kaul	✓
4	Shri Surjit Kumar Gupta*	✓
5	Shri Puneet Bhatia <sup>#</sup>	N.A.

\* Shri Vivek Mehra and Shri Surjit Kumar Gupta ceased to be Members w.e.f. 5<sup>th</sup> May, 2022.

<sup>#</sup> Shri Puneet Bhatia appointed as Member w.e.f. 5<sup>th</sup> May, 2022 and Shri Ashish Bharat Ram was appointed as Member and Chairman w.e.f. 5<sup>th</sup> May, 2022.

(d) Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Brief synopsis of the performance evaluation carried out for the financial year is provided in the Directors' Report Section of this Report.

(5) Stakeholders Relationship/ Grievance Redressal Committee

The terms of reference and the ambit of powers of Stakeholders Relationship/ Grievance Redressal Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II). The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed instantaneously by the secretarial department and status thereof is also placed before the Stakeholders Relationship/ Grievance Redressal Committee.

**(a) Name of Non-Executive Director heading the committee**

The Stakeholders Relationship/ Grievance Redressal Committee comprises of 3 (Three) members of which, 2 (Two) are Non-Executive and Independent Directors, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship/ Grievance Redressal Committee. The Composition of Stakeholders Relationship/ Grievance Redressal Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Subhash S Mundra	Non-Executive Independent	Chairman
2	Shri Jalaj Ashwin Dani	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Member

**(b) Name and Designation of Compliance Officer**

Shri Sanjay Kumar Gupta, Senior Vice President & Company Secretary is the Compliance Officer of the Company.

**(c) Number of Shareholders' Complaints Received so far**

The number of shareholders' complaints received and resolved during financial year 2022-23 is given below:

- Number of shareholders' complaints received – 3
- Number of shareholders' complaints resolved – 3

**(d) Number not Solved to the Satisfaction of Shareholders**

None. All complaints were resolved to the satisfaction of shareholders.

**(e) Number of Pending Complaints**

As at 31<sup>st</sup> March, 2023, no complaint was pending unresolved.

**(f) Meeting and Attendance during the year**

S. No.	Name	Attendance in Stakeholders Relationship/ Grievance Redressal Committee Meeting held on	
		4 May 22	
1	Shri Subhash S Mundra <sup>#</sup>	N.A.	
2	Shri Upendra Kumar Sinha <sup>*</sup>	✓	
3	Shri Jalaj Ashwin Dani	✓	
4	Shri Surjit Kumar Gupta <sup>#</sup>	N.A.	
5	Shri Ameet Kumar Gupta <sup>*</sup>	✓	

\* Shri Upendra Kumar Sinha and Shri Ameet Kumar Gupta ceased to be Members w.e.f. 5<sup>th</sup> May, 2022.

# Shri Surjit Kumar Gupta appointed as Member w.e.f. 5<sup>th</sup> May, 2022 and Shri Subhash S Mundra was appointed as Member and Chairman w.e.f. 5<sup>th</sup> May, 2022.

**(6) Enterprises Risk Management Committee****(a) Brief Description of Terms of Reference**

The role of the Enterprises Risk Management Committee is as per the Companies Act, 2013 and corresponding Rules framed thereunder and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be in force from time to time.

**(b) Composition, Name of Members and Chairperson**

The Committee comprises of 4 (Four) members out of which 3 (Three) are Non-Executive Directors. The Chairman being Non-Executive and Independent Director. The Company Secretary of the Company acts as Secretary to the Enterprises Risk Management Committee. The Composition of Enterprises Risk Management Committee as on 31<sup>st</sup> March, 2023 is given below:

S. No.	Name	Category	Designation
1	Shri Jalaj Ashwin Dani	Non-Executive Independent	Chairman
2	Shri T.V. Mohandas Pai	Non-Executive Non-Independent	Member
3	Shri Subhash S Mundra	Non-Executive Independent	Member
4	Shri Anil Rai Gupta	Executive	Member

**(c) Meetings and attendance during the year**

S. No.	Name	Attendance in Enterprises Risk Management Committee Meetings held on	
		1 Sep 22	18 Jan 23
1	Shri Ashish Bharat Ram*	N.A.	N.A.
2	Shri Rajesh Kumar Gupta*	N.A.	N.A.
3	Shri Jalaj Ashwin Dani	✓	✓
4	Shri T.V. Mohandas Pai	✓	✓
5	Shri Subash S Mundra*	✓	✓
6	Shri Anil Rai Gupta	✓	✓

\* Shri Ashish Bharat Ram, Shri Rajesh Kumar Gupta ceased to be Members w.e.f. 5<sup>th</sup> May, 2022 and Shri Subash S Mundra appointed as Member w.e.f. 5<sup>th</sup> May, 2022.

**(7) Remuneration of Directors****(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity**

None, except for the Sitting Fee or the payment of Commission to Non-Executive Directors (except for promoter director).

**(b) Criteria of Making Payments to Non-Executive Directors**

The Company has adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees; regulated by the Nomination and Remuneration Committee of the Board. The Policy is also available on the website of the Company at [https://havells.com/content/dam/havells/Corporate\\_Governance/Nomination%20and%20Remuneration%20Policy.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Nomination%20and%20Remuneration%20Policy.pdf) in the "Code & Policies" section in Corporate Governance.

The Non-Executive Directors, except for promoter director, are entitled to Sitting fees for attending Meetings

of the Board, its Committees and the Shareholders. The Non-Executive Directors, except promoter directors are also paid an annual commission of ₹ 20 Lakhs per annum in addition to the fee payable to such Directors for attending the Board and other Meetings or reimbursement of expenses, if any.

The remuneration to the Managing Director and Whole-time Director(s) are paid on the scale determined by the Nomination and Remuneration Committee within the limits approved by the Shareholders at the General Meeting.

**(c) Disclosures with Respect to Remuneration**

**(i) Details of remuneration/ sitting fees paid to Directors during the Financial Year 2022-23 are given below:**

(₹ in Lakhs)								
S. No.	Name of Director	Service Term	No. of shares allotted/ transferred under ESPS	Sitting Fee (A)	Salary (B)	Perks (C)	Commission (D)	Total (A+B+C+D)
1	Shri Anil Rai Gupta* (Chairman and Managing Director)	1-4-19 to 31-3-24	0	NA	779.52	0.40	1,859.24	2,639.16
2	Shri Ameet Kumar Gupta** (Whole-time Director)	1-1-20 to 31-12-24	0	NA	309.12	0.40	743.69	1,053.21
3	Shri Rajesh Kumar Gupta** (Whole-time Director (Finance) and Group CFO)	1-4-20 to 31-3-25	1,00,000	NA	700.00	0.40 <sup>#</sup>	743.69	1,444.09
4	Shri Surjit Kumar Gupta	-	0	NA	-	-	-	-
5	Shri Siddhartha Pandit (Whole-time Director)	29-5-22 to 28-5-25	700 <sup>#</sup>	NA	113.54	- <sup>#</sup>	-	113.54
6	Shri T. V. Mohandas Pai	-	0	8.00	-	-	20.00	28.00
7	Shri Puneet Bhatia	-	0	5.00	-	-	20.00	25.00
8	Shri Jalaj Ashwin Dani	-	0	12.00	-	-	20.00	32.00
9	Shri Upendra Kumar Sinha	-	0	14.00	-	-	20.00	34.00
10	Shri Subhash S Mundra	-	0	9.00	-	-	20.00	29.00
11	Shri B Prasada Rao	-	0	13.00	-	-	20.00	33.00
12	Shri Vivek Mehra	-	0	9.00	-	-	20.00	29.00
13	Smt. Namrata Kaul	-	0	13.00	-	-	20.00	33.00
14	Shri Ashish Bharat Ram	-	0	7.00	-	-	20.00	27.00

\* Entitled to Commission @ 1.25% of the profit before tax.

\*\* Entitled to Commission @ 0.50% of the profit before tax

<sup>#</sup> Excluding the value of shares i.e. ₹ 1,289.85 Lakhs exercised by Shri Rajesh Kumar Gupta and ₹ 4.26 Lakhs exercised by Shri Siddhartha Pandit during the financial year 2022-23 under the Employees Stock Purchase Schemes of the Company.

**(ii) Details of fixed component and performance linked incentives, along with the performance criteria**

The details of fixed component is as provided in the table above and there are no other incentives paid to any Director of the Company.

**(iii) Service contracts, notice period, severance fees**

The appointment of the Executive Directors is governed by Resolutions passed by the Shareholders of the Company, which cover the terms

and conditions of such appointment, read with the service rules of the Company. A separate Service Contract is not entered into by the Company with Executive Directors. No notice period or severance fee is payable to any Director.

**(iv) Stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable:**

During the financial year 2022-23, 1,00,000 Equity Shares of ₹ 1/- each were allotted to

Shri Rajesh Kumar Gupta and 700 Equity Shares of ₹ 1/- each were allotted to Shri Siddhartha Pandit under various Employees Stock Purchase Schemes of the Company.

Besides the above, the Board of Directors has Corporate Social Responsibility & Environmental, Social and Governance Committee, Share Allotment and Transfer Committee and an Executive Committee. In respect of these Committees brief details of the roles, terms of reference, composition and No. of Meetings held etc. are given below:

### Corporate Social Responsibility & Environmental, Social and Governance Committee

#### (a) Brief description of terms of reference

The Corporate Social Responsibility & Environmental, Social and Governance Committee was formed pursuant to Section 135 of the Companies Act, 2013, as amended, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at [https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate\\_Governance/CSR\\_Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/Content/dam/havells/Corporate_Governance/CSR_Policy.pdf)

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

#### (b) Composition, Name of Members and Chairperson

The Corporate Social Responsibility & Environmental, Social and Governance Committee comprises of 4 (Four) members of which 2 (Two) are Non-Executive and Independent, the Chairman being Non-Executive and Independent. The Company Secretary of the Company acts as Secretary to the Corporate Social Responsibility & Environmental, Social and Governance Committee. The Composition of the Corporate Social Responsibility & Environmental, Social and Governance Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Vivek Mehra	Non-Executive Independent	Chairman
2	Shri Jalaj Ashwin Dani	Non-Executive Independent	Member
3	Shri Surjit Kumar Gupta	Non-Executive Non Independent	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

#### (c) Meetings and attendance during the year

S. No.	Name	Attendance in Corporate Social Responsibility & Environmental, Social and Governance Committee Meetings held on	
		4 May 22	19 Oct 22
1	Shri Vivek Mehra*	N.A.	✓
2	Shri Jalaj Ashwin Dani	✓	✓
3	Shri B Prasada Rao**	✓	N.A.
4	Shri Anil Rai Gupta**	✓	N.A.
5	Shri Rajesh Kumar Gupta	✓	✓
6	Shri Surjit Kumar Gupta*	N.A.	✓

\* Shri Vivek Mehra was appointed as Member and Chairman w.e.f. 5<sup>th</sup> May, 2022 and Shri Surjit Kumar Gupta appointed as Member w.e.f. 5<sup>th</sup> May, 2022.

\*\* Shri B Prasada Rao and Shri Anil Rai Gupta ceased to be Members w.e.f. 5<sup>th</sup> May, 2022.

#### Share Allotment and Transfer Committee

The Share Allotment and Transfer Committee meets regularly to consider requests of share transfer/ transmission/ transposition/ split/ consolidation/ sub-division/ duplicate share certificate/ IEPF/ Unclaimed Suspense etc. and also to take note of the investor grievances. The summary of number of requests/ grievances received and resolved in every quarter is also placed before the Stakeholders Relationship/ Grievance Redressal Committee for its information and review.

The Committee comprises of 1 (One) Non-Executive Director and 2 (Two) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Share Allotment and Transfer Committee. The Composition of Share

Allotment and Transfer Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2022-23, the Share Allotment and Transfer Committee met 7 (Seven) times.

#### Executive Committee

The role of the Executive Committee is to expeditiously decide business matters of routine nature and implementation of strategic decisions of the Board. The Committee functions within the approved framework and directions of the Board. The Committee also performs other activities as per the terms of reference of the Board. The Committee comprises of 1 (One) Non-Executive Director and 3 (Three) Executive Directors. Shri Surjit Kumar Gupta being Non-Executive Director is the Chairman of the Committee. The Company Secretary of the Company acts as Secretary to the Executive Committee. The Composition of Executive Committee as on 31<sup>st</sup> March, 2023, is given below:

S. No.	Name	Category	Designation
1	Shri Surjit Kumar Gupta	Non-Executive Non-Independent	Chairman
2	Shri Anil Rai Gupta	Executive	Member
3	Shri Ameet Kumar Gupta	Executive	Member
4	Shri Rajesh Kumar Gupta	Executive	Member

During the financial year 2022-23, the Executive Committee met 16 (Sixteen) times.

#### (d) General Body Meetings

##### (a) Location and time, where last three Annual General Meetings were held:

Date of AGM	Location	Time
8 <sup>th</sup> July, 2022	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
30 <sup>th</sup> June, 2021	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.
22 <sup>nd</sup> June, 2020	Through Video Conferencing (VC) or Other Audio Visual Means (OAVM)	10:00 a.m.

##### (b) Whether any Special Resolutions passed in the previous three Annual General Meetings

Date of AGM	Details of Special Resolutions passed, if any
8 <sup>th</sup> July, 2022	Approval of the Havells Employees Stock Purchase Scheme 2022 and its implementation through Trust Authorization for Havells Employees Welfare Trust to Subscribe to Shares for and under the Havells Employees Stock Purchase Scheme 2022 Provisioning of money by the Company to the Havells Employees Welfare Trust/ Trustees for Subscription of Shares under the Havells Employees Stock Purchase Scheme, 2022 Amendment to the Part B – “Havells Employees Stock Purchase Plan 2014” of Havells Employees Long Term Incentive Plan 2014 and related modifications thereto
30 <sup>th</sup> June, 2021	Appointment of a Director in place of Shri Surjit Kumar Gupta (DIN:00002810), who retires by rotation and being eligible, offers himself for re-appointment. Re-appointment of Shri Jalaj Ashwin Dani (DIN: 00019080) as an Independent Director for a Second Term Re-appointment of Shri Upendra Kumar Sinha (DIN: 00010336) as an Independent Director for a Second Term
22 <sup>nd</sup> June, 2020	Re-appointment of Shri Vellayan Subbiah (DIN:01138759) as an Independent Director for a Second Term.

##### (c) Special Resolution passed last year through postal ballot – details of voting pattern and procedure thereof

Nil

##### (d) Person who conducted the postal ballot exercise:

Not Applicable

##### (e) Special Resolution proposed to be conducted through postal ballot

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at this Annual General Meeting.

#### (e) Means of Communication

##### (a) Quarterly Results

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.



**(b) Newspapers wherein results normally published**

The quarterly, half-yearly and annual financial results are published in Economic Times in English and Jansatta, Hindi Daily editions.

**(c) Website, where displayed**

The financial results and the official news releases are also placed on the Company's website [www.havells.com](http://www.havells.com) in the Investor Relations section and can be accessed from <https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html>.

**(d) Official news releases**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the Investor Relations section.

**(e) Presentations made to institutional investors or to the analysts**

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

**(f) General Shareholder Information****(a) Annual General Meeting - Date, Time and Venue**

Day : Tuesday

Date : 27<sup>th</sup> June, 2023

Time: 10:00 am

Venue: Through Video Conferencing (VC) or Other Audio Visual Means (OAVM) or as permitted by the relevant Statutory Authorities

Company's Registered Office i.e. 904, 9<sup>th</sup> Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi – 110 001 will be considered as Venue for the purpose of this Annual General Meeting

**(b) Financial year**

The Financial year of the Company starts from 1<sup>st</sup> April of a year and ends on 31<sup>st</sup> March of the following year.

**(c) Dividend Payment Date**

The Board of Directors of your Company declared an interim dividend of ₹3.00/- per equity share of ₹1/- each i.e. @300% during the financial year 2022-23. Payment of dividend was done within 30 days from date of declaration i.e. 19<sup>th</sup> January, 2023.

The Board of Directors of your Company has also recommended a Final Dividend of ₹4.50/- per equity share of ₹1/- each i.e. @450% for the financial year 2022-23. Date of payment of dividend would be within 30 days from the date of AGM.

**(d) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s)**

The equity shares of the Company are listed at:

- The National Stock Exchange of India Ltd. (NSE), Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai- 400 051
- BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001

The annual listing fee for the FY 2023-24 has been paid by the Company to both the stock exchanges within the stipulated time.

**(e) Stock code**

NSE	BSE	ISIN
HAVELLS	517354	INE176B01034 (Shares)

**(f) Market price data- high, low during each month in last financial year**

Monthly high & low prices and volumes of the equity shares of the Company at the National Stock Exchange of India Ltd. (Nifty) and BSE Limited (Sensex) during financial year 2022-23 are as under:

Period	(Amount in ₹)					
	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Apr 2022	1,344.70	1,153.00	1,88,78,802	1,344.60	1,153.05	8,92,818
May 2022	1,310.00	1,150.00	1,85,49,177	1,310.00	1,150.00	10,85,358
Jun 2022	1,210.90	1,057.45	2,22,94,358	1,210.00	1,058.70	4,42,667
Jul 2022	1,276.00	1,092.25	2,05,28,638	1,276.00	1,092.00	8,93,536
Aug 2022	1,396.45	1,248.95	1,60,41,491	1,395.75	1,248.65	8,49,214
Sep 2022	1,405.55	1,270.25	1,13,16,173	1,405.85	1,270.55	7,58,359

(Amount in ₹)

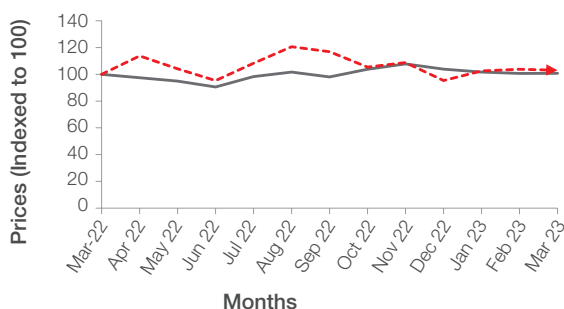
Period	NSE			BSE		
	High	Low	Volume (No. of shares)	High	Low	Volume (No. of shares)
Oct 2022	1,368.40	1,159.20	1,73,88,108	1,369.00	1,160.45	14,21,368
Nov 2022	1,261.35	1,183.10	1,37,84,928	1,260.00	1,183.55	7,18,796
Dec 2022	1,270.60	1,024.50	1,49,21,299	1,270.00	1,092.00	4,77,023
Jan 2023	1,223.90	1,099.00	2,20,02,346	1,223.85	1,099.30	6,04,564
Feb 2023	1,243.30	1,152.65	1,31,73,692	1,243.00	1,154.00	2,86,182
Mar 2023	1,228.60	1,131.80	96,99,545	1,227.95	1,128.10	2,21,417

(Source: NSE and BSE website)

Note: High and low are in rupees per traded share. Volume is the total monthly volume of trade (in numbers) in the Company's share on the respective Stock Exchanges

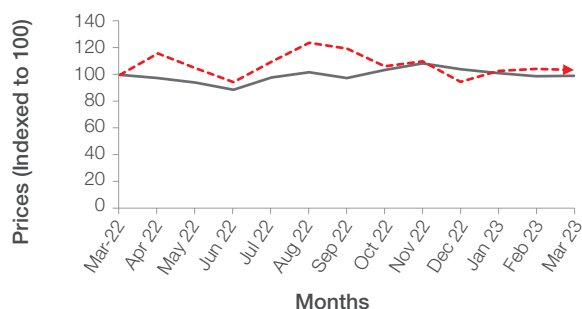
**(g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.**

**Havells share price vis-à-vis BSE Sensex**



Note: The graph indicates monthly closing positions. Share prices and BSE Sensex are indexed to 100 as on 31<sup>st</sup> March, 2022.

**Havells Share Price vis-à-vis NSE Nifty**



Note: The graph indicates monthly closing positions. Share prices and NSE Nifty are indexed to 100 as on 31<sup>st</sup> March, 2022.

**(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof**

Not applicable.

**(i) Registrar to an issue and share transfer agents**

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor, Plot No. NH 2,  
LSC, C-1 Block, Near Savitri Market,  
Janakpuri, New Delhi-110 058  
Telephone: 011-41410592,93, 011-49411000  
Fax: 011-41410591  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**(j) Share transfer system**

The Board has delegated the authority for approving transfer, transmission of shares etc. to the Share Allotment and Transfer Committee. The Company obtains an annual certificate from Practicing Company Secretary as per the requirement of Regulation 40(9) of Listing Regulations and the same is filed with the Stock Exchanges and available on the website of the Company.

In terms of amended Regulation 40 of the SEBI Listing Regulations w.e.f. 1<sup>st</sup> April, 2019, transfer of securities in physical form are not processed unless the securities are held in the dematerialised mode with a Depository Participant. Further, with effect from 24<sup>th</sup> January, 2022, SEBI has made it mandatory for listed companies to issue securities in dematerialised mode only while processing any investor service request viz. issue of duplicate securities certificates, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/ splitting of securities certificate, consolidation of securities certificates/ folios, transmission and transposition. Further, SEBI vide its Circular dated 25<sup>th</sup> January 2022, clarified that the RTA/ listed company shall verify and process the service requests and thereafter issue a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/ claimant within 30 days of its receipt of such request after removing objections, if any. The 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/ claimant shall make a request to the Depository Participant for dematerializing the said securities.

(k) Distribution of shareholding as on 31<sup>st</sup> March, 2023

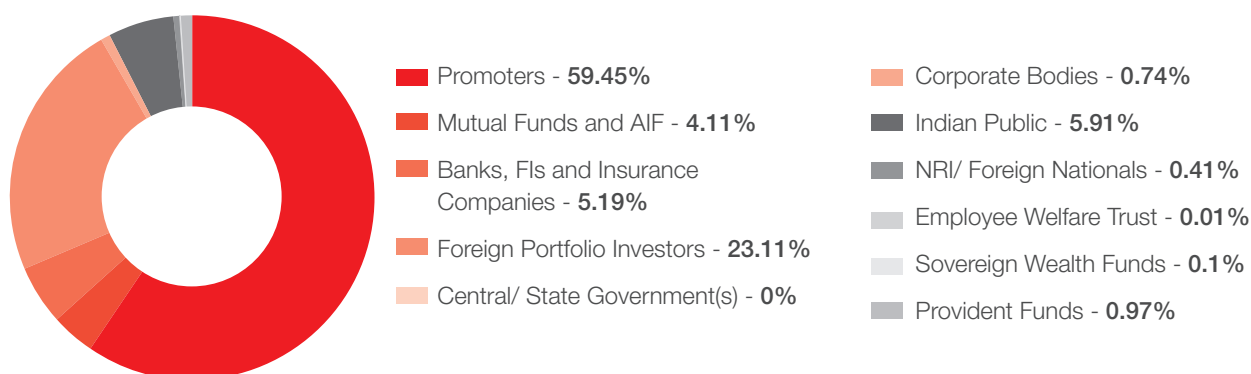
Shareholding of Nominal Value of ₹ 1/- each	Shareholders (Numbers)	% of Total Share Holders	No. of Shares	Nominal Value (in ₹)	% of Nominal Value
Upto 5,000	2,43,862	99.25	2,31,98,822	2,31,98,822	3.70
5,001 - 10,000	807	0.33	59,31,197	59,31,197	0.95
10,001 - 20,000	347	0.14	50,04,000	50,04,000	0.80
20,001 - 30,000	149	0.06	37,27,456	37,27,456	0.60
30,001 - 40,000	82	0.03	28,81,005	28,81,005	0.46
40,001 - 50,000	55	0.02	24,52,269	24,52,269	0.39
50,001 - 1,00,000	127	0.05	91,66,915	91,66,915	1.46
1,00,001 & Above	282	0.11	57,41,48,074	57,41,48,074	91.64
<b>GRAND TOTAL</b>	<b>2,45,711</b>	<b>100</b>	<b>62,65,09,738</b>	<b>62,65,09,738</b>	<b>100</b>

Ownership Pattern as on 31<sup>st</sup> March, 2023

Category	No. of Shareholders	No. of Shares Held	% of Total Holding
<b>Promoters</b>			
Indian Promoters	3	37,24,57,920	59.45
<b>Non Promoters</b>			
<b>Institutional Investors</b>			
Mutual Fund and Alternative Investment Funds	37	2,57,65,771	4.11
Foreign Portfolio Investors	718	14,47,99,323	23.11
Bank, Financial Institutions and Insurance Companies	25	3,24,93,414	5.19
Central Government/ State Government(s)	2	6,282	0.00
Sovereign Wealth Funds	2	6,44,326	0.10
Provident Funds/ Pension Funds	1	60,78,132	0.97
<b>Non-Institutions</b>			
Indian Public*	2,32,241	3,70,42,341	5.91
NRI & FN	5,413	25,61,020	0.41
Bodies Corporate	1,243	46,19,249	0.74
<b>Non Promoter Non Public</b>			
Employee Benefit Trust	1	41,960	0.01
<b>GRAND TOTAL</b>	<b>2,39,686</b>	<b>62,65,09,738</b>	<b>100</b>

\* Indian Public shareholding includes shareholdings of individuals, Directors & their relatives, KMP, shares with IEPF Authority, Trusts, HUF, Unclaimed Suspense A/c and Clearing Members.

Details of Ownership Pattern given above are based on the Shareholding Pattern filed with the Stock Exchanges as at 31<sup>st</sup> March, 2023, wherein the Shareholding is consolidated on the basis of PAN.

Ownership Pattern as on 31<sup>st</sup> March, 2023 (%)

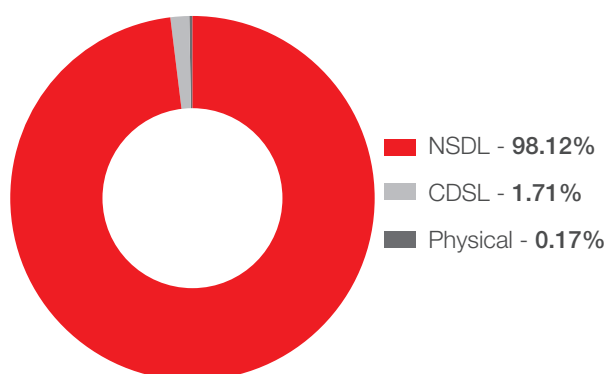
**List of Shareholders other than Promoters holding more than 1% as on 31<sup>st</sup> March, 2023**

S. No.	Name of Shareholder	No. of Shares held	% of Total Shareholding
1	Nalanda India Equity Fund Limited	3,30,44,930	5.27
2	Life Insurance Corporation of India	2,32,32,070	3.71
3	Government Pension Fund Global	1,22,77,235	1.96

**(l) Dematerialization of shares and liquidity**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31<sup>st</sup> March, 2023, 62,54,59,660 Equity shares out of 62,65,09,738 Equity Shares of the Company, forming 99.83% of the Company's paid-up capital is held in the dematerialized form. Majority of demat shares are with National Securities Depository Limited. The status of shares held in demat and physical format is given below. The Company's shares are liquid and actively traded on the NSE and BSE.

Particulars	As on 31 <sup>st</sup> March, 2023		As on 31 <sup>st</sup> March, 2022	
	Number of Shares	Percentage	Number of Shares	Percentage
Shares in Demat Form	62,54,59,660	99.83	62,51,15,705	99.81
NSDL	61,47,23,107	98.12	61,26,70,039	97.82
CDSL	1,07,36,553	1.71	1,24,45,666	1.99
Shares in Physical Form	10,50,078	0.17	11,87,362	0.19
<b>TOTAL</b>	<b>62,65,09,738</b>	<b>100.00</b>	<b>62,63,03,067</b>	<b>100.00</b>

**Ownership in Demat and Physical Mode (%)**

**(m) Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity**

There are no GDRs/ ADRs/ Warrants outstanding as on 31<sup>st</sup> March, 2023.

**(n) Commodity price risk or foreign exchange risk and hedging activities**

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

**(o) Plant locations**

S. No.	Unit/ Plant	Products
1	Distt. Solan, Baddi, Himachal Pradesh	Electrical wire Accessories and Switchgears
2	Plot No. 2 and 2A, Sector - 12, SIDCUL Industrial Area, Haridwar, Uttarakhand	Water Purifier and Appliances
3	14/3, Mathura Road, Faridabad, Haryana	Switchgears
4	Plot No.6, Site - IV, Sahibabad Industrial Area, Sahibabad (U.P.)	Switchgears and Capacitors
5	SP-181 – 189 & 191(A) Industrial Area, Phase II, Neemrana, Alwar, Rajasthan	Motor and Pump Lighting & Fixture, Water Heater and Water Cooler
6	A/461-462, & SP – 215, 204 & 204(A) Matsya Industrial Area, Alwar, Rajasthan	Industrial & Domestic Cable
7	Sector-10, Plot No 2A & 2D, Sidcul Industrial Area, Haridwar, Utrakhad-243249	Fan
8	SP1-133, Rico Industrial Area, Behror, Ghiloth, Alwar, Rajasthan-301706	Air Conditioner & Washing Machine
9	10050, Central Expressway, Sri City- 517646	Air Conditioner

**(p) Address for correspondence**

The Company Secretary  
Havells India Limited  
(Secretarial Department)  
QRG Towers, 2D, Sector – 126,  
Expressway, Noida – U.P.  
Pin – 201 304  
Telephone No.: 0120 – 3331000  
Fax No.: 0120 – 3332000  
Email: [investors@havells.com](mailto:investors@havells.com)

**Address for Correspondence with the Registrar and Transfer Agents**

Link Intime India Private Limited  
Noble Heights, 1<sup>st</sup> Floor, Plot No. NH 2,  
LSC, C-1 Block, Near Savitri Market,  
Janakpuri, New Delhi-110 058  
Telephone: 011-41410592,93, 011-49411000  
Fax: 011-41410591  
Email: [delhi@linkintime.co.in](mailto:delhi@linkintime.co.in)

**(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad**

The Company has obtained the following Credit Ratings from CARE:-

Long-term Bank Facilities	CARE AAA (Triple A)
Short-term Bank Facilities	CARE A1+ (A One Plus)
Commercial Paper	CARE A1+ (A One Plus)
Corporate Governance	CareEdge CG 2+

The details on credit ratings are provided in the Directors Report and are also available on the website of the Company in the Investor Relations section and can be accessed at <https://havells.com/en/discover-havells/investor-relation/credit-rating.html>

During the year ended 31<sup>st</sup> March, 2023, there was no change in the above ratings by CARE.

**(g) Other Disclosures****(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

During the financial year 2022-23, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large. For reference, the details of related party transactions in accordance with IND AS-24 are given in Note No. 6 of Other Notes on Accounts of the Annual Report.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

The Company has not been penalized, nor have the stock exchanges, SEBI or any statutory authority imposed any strictures, during the last three years, on any matter relating to capital markets.

**(c) Details of establishment of vigil mechanism/ whistle blower policy and affirmation that no personnel has been denied access to the audit committee**

The Company has adopted a Whistle Blower Policy called 'Satark' which means alert/ vigilant empowering any person associated with the organization to file a grievance if he/ she notices any irregularity. 'Satark' Policy is available on the website of the Company at [https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes\\_Policies/VigilMechanism\\_Satark%20Policy.pdf](https://havells.com/HavellsProductImages/HavellsIndia/pdf/About-Havells/Investor-Relations/Codes_Policies/VigilMechanism_Satark%20Policy.pdf)

No person has been denied access to the Audit Committee for any grievance.

The Company has in addition to Whistle Blower Policy also adopted a policy named 'Idea' to promote a culture of innovative thinking, creativity and vigilance in all areas of its business. The ideas may be related to technical aspects of business, non-technical aspects, commercial aspects, administrative aspects, processes, cost saving or any such other aspect that may benefit the Company.

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Web link where policy for determining 'material' subsidiaries is disclosed**

The policy for determining 'material' subsidiaries is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at [https://havells.com/content/dam/havells/Corporate\\_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Policy%20for%20determining%20material%20subsidiaries.pdf)

**(f) Web link where policy on dealing with related party transactions**

The policy on dealing with related party transactions is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at [https://www.havells.com/content/dam/havells/Corporate\\_Governance/Related%20Party%20Transactions%20Policy.pdf](https://www.havells.com/content/dam/havells/Corporate_Governance/Related%20Party%20Transactions%20Policy.pdf)

**(g) Disclosure of commodity price risks and commodity hedging activities**

In order to manage the Company's Foreign Exchange exposure, the Company has in place a Board approved Policy on Foreign Exchange Management for the management of corporate foreign exchange risk by defining its exposures, measuring them and defining appropriate actions to control the risk. The intent of this

Policy is to minimise the financial statement impact of fluctuating foreign currency exchange rates.

Policy on Foreign Exchange Risk and Commodity Price Risk alongwith Foreign Currency exposure is given under Note No. 10 of Other Notes on Accounts of the Annual Report.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A)**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

**(i) Certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such statutory authority**

On the basis of written representations/ declaration received from the directors, as on March 31, 2023, M/s Balika Sharma & Associates, Company Secretaries (Membership No. FCS 4816, CP No. 3222), have issued a certificate, confirming that none of the Directors on Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by SEBI/ MCA or any such authority and the same also forms part of this Report.

**(j) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**

The Board accepted the recommendations of its Committees, wherever made, during the year.

**(k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part**

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part, are as follows:

Type of Service	Amount (₹ in crores)
Audit Fee	1.35
Other Certification Fee	0.03
Reimbursement of expenses	0.16
<b>TOTAL</b>	<b>1.54</b>

**(l) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

The Company is committed to providing and promoting a safe and healthy work environment for all its employees. A Nirbhaya policy which is in line with the statutory requirements is in place.

- a. number of complaints filed during the financial year – 0
- b. number of complaints disposed off during the financial year – 0
- c. number of complaints pending as on end of the financial year – 0

**(m) disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/ companies in which directors are interested by name and amount**

NA

**(n) Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.**

NA

**(h) Disclosure of the extent to which the Discretionary Requirements as Specified in Part E of Schedule II have been Adopted**

**(a) The Board:** Chairman of the Company being on Executive position, the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

**(b) Shareholder Rights:** Quarterly financial statements are published in leading newspapers and uploaded on Company's website <https://www.havells.com/en/discover-havells/investor-relation/financials/quarterly-results.html>

**(c) Modified opinion(s) in audit report:** The Company already has a regime of un-qualified financial statements. Auditors have raised no qualification on the financial statements.

**(d) Separate posts of Chairperson and the Managing Director or the CEO:** Presently, Shri Anil Rai Gupta is the Chairman and Managing Director of the Company. He is also the CEO of the Company.

**(e) Reporting of Internal Auditor:** The Company appointed E&Y as the Internal Auditors for conducting the internal audit for the FY 2022-23, representatives whereof report to the Head, Risk Management and Governance Department who reports to the Director (Finance) and Group CFO and has direct access to the Audit Committee.

**(i) Disclosures of the Compliance with Corporate Governance Requirements Specified in Regulations 17 to 27 and Clauses (B) to (I) of Sub-Regulation (2) of Regulation 46**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Declaration signed by the Chief Executive Officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management**

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. Havells' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Directors, Senior Management and other Employees of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at [https://havells.com/content/dam/havells/Corporate\\_Governance/Code%20of%20Conduct.pdf](https://havells.com/content/dam/havells/Corporate_Governance/Code%20of%20Conduct.pdf)

**Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31<sup>st</sup> March, 2023.

**Anil Rai Gupta**

Noida, May 3, 2023

Chairman and Managing Director

**Compliance Certificate from Either the Auditors or Practicing Company Secretaries Regarding Compliance of Conditions of Corporate Governance**

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance forms an integral part of the Annual Report.

**Disclosures with Respect to Demat Suspense Account/ Unclaimed Suspense Account**

The Company has 1,72,100 Equity Shares of ₹ 1/- each in respect of 24 Shareholders, lying into one folio, namely, the Unclaimed Suspense A/c and in the demat account held with NSDL (IN30045014669162). Further, the dividend accruing on such Shares was also credited to Unpaid Dividend Account.

The requisite disclosures as per Schedule V (F) of SEBI (Listing Obligations and Disclosure Requirements), 2015 in this regard are given below:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the Year – 26 (No. of shareholders) 1,84,100 (No. of shares) respectively.
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year - 2 (No. of shareholders) 12,000 (No. of shares);
- (c) Number of shareholders to whom shares were transferred from suspense account during the year – 2 (No. of shareholders) 12,000 (No. of shares);
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of year – 24 (No. of shareholders) 1,72,100 (No. of shares) respectively;
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

### Other Useful Information for Shareholders

#### Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination

SEBI vide its latest Circular dated 16<sup>th</sup> March, 2023, in supersession of its earlier circulars in this regard, has prescribed the common and simplified norms for processing investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination.

#### 1. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities

It is mandatory for all holders of physical securities in listed companies to furnish PAN, Nomination, Contact details, Bank A/c details and Specimen signature for their corresponding folio numbers. The detailed requirements have been specified in the aforesaid Circular dated 16<sup>th</sup> March, 2023.

#### 2. Freezing of Folios without PAN, KYC details and Nomination

The folios wherein any one of the document/ details cited in point no. 1 above are not available on or after October 01, 2023, shall be frozen by the RTA.

The security holder(s) whose folio(s) have been frozen shall however be eligible:

- to lodge grievance or avail any service request from the RTA subject to furnishing the complete documents/ details as mentioned in point no. 1 above.

- for any payment including dividend, interest or redemption payment in respect of such frozen folios, only through electronic mode with effect from April 01, 2024.

Frozen folios shall be referred by the RTA/ listed company to the administering authority under the Benami Transactions (Prohibition) Act, 1988 and/ or Prevention of Money Laundering Act, 2002, if they continue to remain frozen as on December 31, 2025.

The RTA shall revert the frozen folios to normal status upon receipt of all the pending documents/ details as mentioned in point no. 1 above.

#### 3. Forms for availing various Investor services

Investors holding securities in physical mode interface with the RTAs, inter-alia, for registering/ updating the KYC details and for the processing of various service requests. The service requests along with requisite forms, as prescribed by SEBI in its Circular dated 16<sup>th</sup> March, 2023 are available on the website of the Company in the Investor Relations section.

#### Unclaimed Dividend and shares

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of seven years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for seven consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the financial year 2015-16 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on 19<sup>th</sup> August, 2023 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended 31<sup>st</sup> March, 2016 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard has already been sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.



In respect of Final Dividend for the financial year ended 31<sup>st</sup> March, 2016, it will not be possible to entertain claims which are received by the Company after 19<sup>th</sup> August, 2023.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed

dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However members may apply for the same with the IEPF authority by making an application in the prescribed web Form No. IEPF-5.

Financial Year	Dividend Type	Dividend Per Share (₹)	Date of Declaration	Due date of transfer to IEPF
2015-16	Final	3.00	13.07.2016	19.08.2023
2016-17	Final	3.50	07.07.2017	14.08.2024
2017-18	Final	4.00	20.07.2018	26.08.2025
2018-19	Final	4.50	27.07.2019	31.08.2026
2019-20	Interim	4.00	06.03.2020	10.04.2027
2020-21	Interim	3.00	20.01.2021	24.02.2028
2020-21	Final	3.50	30.06.2021	06.08.2028
2021-22	Interim	3.00	20.10.2021	26.11.2028
2021-22	Final	4.50	08.07.2022	14.08.2029
2022-23	Interim	3.00	19.01.2023	25.02.2030

For and on behalf of  
**Board of Directors of Havells India Limited**

**Anil Rai Gupta**  
 Chairman and Managing Director

Noida, May 3, 2023

### CEO's/ CFO's CERTIFICATE

We, Anil Rai Gupta, Chairman and Managing Director and Rajesh Kumar Gupta, Director (Finance) and Group CFO of Havells India Limited, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements and the cash flow statement for the year ended 31<sup>st</sup> March, 2023 and that to the best of our knowledge and belief:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed, to the auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee, wherever applicable,
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

**For Havells India Limited**

**(Anil Rai Gupta)**  
Chairman and Managing Director

Noida, May 3, 2023

**For Havells India Limited**

**(Rajesh Kumar Gupta)**  
Director (Finance) and Group CFO

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Havells India Limited**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Havells India Limited** having **CIN L31900DL1983PLC016304** and having Registered Office at 904, 9<sup>th</sup> Floor, Surya Kiran Building, K G Marg, Connaught Place, New Delhi Central Delhi-110001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment
1	Shri Anil Rai Gupta	00011892	30/09/1992
2	Shri Surjit Kumar Gupta	00002810	08/08/1983
3	Shri Ameet Kumar Gupta	00002838	22/12/2014
4	Shri Rajesh Kumar Gupta	00002842	21/03/1992
5	Shri Ashish Bharat Ram	00671567	20/05/2021
6	Shri T.V. Mohandas Pai	00042167	22/12/2014
7	Shri Puneet Bhatia	00143973	22/12/2014
8	Shri Jalaj Ashwin Dani	00019080	16/08/2017
9	Shri Upendra Kumar Sinha	00010336	01/03/2018
10	Shri Siddhartha Pandit	03562264	29/05/2019
11	Shri Subhash Sheoratan Mundra	00979731	12/05/2020
12	Shri Bontha Prasada Rao	01705080	12/05/2020
13	Shri Vivek Mehra	00101328	12/05/2020
14	Smt. Namrata Kaul	00994532	20/01/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Balika Sharma & Associates**  
Company Secretaries

**Balika Sharma**  
Proprietor  
FCS No: 4816  
C P No: 3222  
UDIN: F004816E000218942

Place: New Delhi  
Date: April 28, 2023

## Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of **HAVELLS INDIA LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Havells India Limited**, for the year ended March 31, 2023 as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For and on behalf of**  
**Price Waterhouse & Co Chartered Accountants LLP**  
**Firm Registration Number: 304026E/ E-300009**

UDIN: 23057084BGYFRD8100  
Place: Gurugram  
Date: May 03, 2023

**Sougata Mukherjee**  
Partner  
Membership No: 057084